

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT

8.1 Promoters and Substantial Shareholders

8.1.1 Promoters and Substantial Shareholders' Shareholdings

The Promoters and substantial shareholders and their respective shareholdings in our Company before our IPO and after the Listing Exercise are as follows:

Name	Nationality / Country of incorporation	Before our IPO ^(a)				After the Listing Exercise			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and substantial shareholders</u>									
Dr. Lim	Malaysian	3,716,300	3.00	84,856,400 ^(b)	68.50	3,716,300	2.24	84,856,400 ^(b)	51.12
Foong Kam Weng	Malaysian	-	-	84,856,400 ^(b)	68.50	-	-	84,856,400 ^(b)	51.12
Dr. Yip	Malaysian	-	-	84,856,400 ^(b)	68.50	-	-	84,856,400 ^(b)	51.12
BASB	Malaysia	84,856,400	68.50	-	-	84,856,400	51.12	-	-
<u>Substantial shareholders</u>									
Chew Chong Hock	Malaysian	8,671,500	7.00	-	-	8,671,500	5.22	-	-
Ker Boon Tong	Malaysian	8,671,500	7.00	-	-	8,671,500	5.22	-	-
Tan Leong Ann	Malaysian	8,671,500	7.00	-	-	8,671,500	5.22	-	-
Dr. Raymond Choo	Malaysian	6,193,900	5.00	-	-	6,193,900	3.73	-	-

Notes:

(a) Based on the shareholdings of the Promoters and / or substantial shareholders in our Company after the Acquisitions but prior to the IPO.

(b) Deemed interested by virtue of his or her direct interest in BASB pursuant to Section 64 of the Act.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.1.2 Profiles of Promoters and Substantial Shareholders

Save for the profiles of Dr. Lim, Foong Kam Weng and Dr. Yip which are set out in Section 8.2.2 of this Prospectus, the profiles of our Promoters and / or substantial shareholders are as follows:

(i) BASB

BASB was incorporated in Malaysia under the Act on 5 November 2014. As at the LPD, BASB has an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which RM10,000.00 comprising 10,000 ordinary shares of RM1.00 each have been fully issued and paid-up. The principal activity of BASB is investment holding of shares.

The directors and substantial shareholders of BASB and their respective shareholdings in BASB as at the LPD are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
<u>Directors and substantial shareholders</u>					
Dr. Lim	Malaysian	3,721	37.21	-	-
Foong Kam Weng	Malaysian	3,066	30.66	-	-
Dr. Yip	Malaysian	2,190	21.90	-	-
<u>Substantial shareholder</u>					
Chan Chew Yen	Malaysian	1,022	10.22	-	-

(ii) Chew Chong Hock

Chew Chong Hock, a Malaysian, aged 53, is our substantial shareholder and Area Sales Manager of Rhone Ma Malaysia. He began his career as a Sales Representative at United Trading Co. in 1983 upon graduating from high school. In 1988, he joined Kumpulan Y.S.P. (Malaysia) Sdn Bhd as a Sales Supervisor in the animal health division. He left Kumpulan Y.S.P. (Malaysia) Sdn Bhd in 1992 and joined Rhone-Poulenc Malaysia Sdn Bhd (which was subsequently known as Rhodia Malaysia Sdn Bhd in 1998) as a Techno-Commercial Representative in the animal health division where he was responsible for the sales activities in the northern region of Peninsular Malaysia. Subsequently, he left Rhodia Malaysia Sdn Bhd and joined Rhone Ma Malaysia which acquired the animal health division of Rhodia Malaysia Sdn Bhd in 2000. Since then, he has been the Techno-Commercial Representative of our Group and was promoted to his current position in 2008.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(iii) Ker Boon Tong

Ker Boon Tong, a Malaysian, aged 53, is our substantial shareholder. He graduated from Federal Institute of Technology, Malaysia with a Diploma in Civil Engineering in 1985. Upon graduation, he joined Syarikat Kia Lim Kilang Batu Bata Sdn Bhd as a Supervisor. In 1988, he joined Syarikat Chang Cheng (M) Sdn Bhd as a Sales Representative in the animal health division. He left Syarikat Chang Cheng (M) Sdn Bhd in 1992 and joined Rhone-Poulenc Malaysia Sdn Bhd (which was subsequently known as Rhodia Malaysia Sdn Bhd in 1998) as a Techno-Commercial Representative in the animal health division. He then left Rhodia Malaysia Sdn Bhd and joined Rhone Ma Malaysia which acquired the animal health division of Rhodia Malaysia Sdn Bhd in 2000 as a Techno-Commercial and Vaccination Service Co-ordinator. In 2008, he was promoted to Area Sales Manager of Rhone Ma Malaysia prior to his retirement in December 2015.

(iv) Tan Leong Ann

Tan Leong Ann, a Malaysian, aged 54, is our substantial shareholder. He joined Ideal Multifeed (M) Sdn Bhd as an Accounts Clerk in 1981 upon graduating from high school. In 1984, he joined Sin Heng Chan (M) Bhd as a Salesman in the Johor Bahru branch. He was transferred to the Kuala Lumpur branch as an Acting Branch Officer in 1989 before he left the company and re-joined Ideal Multifeed (M) Sdn Bhd as a Sales Representative in 1990. He then joined Rhone-Poulenc Malaysia Sdn Bhd (which was subsequently known as Rhodia Malaysia Sdn Bhd in 1998) as a Techno-Commercial Representative in the animal health division in 1992 where he was responsible for the sales activities in Melaka and Johor. In 2000, he left Rhodia Malaysia Sdn Bhd and joined Rhone Ma Malaysia which acquired the animal health division of Rhodia Malaysia Sdn Bhd as a Techno-Commercial Coordinator. He was promoted to Area Sales Manager of Rhone Ma Malaysia in 2010 prior to his retirement in January 2016.

(v) Dr. Raymond Choo

Dr. Raymond Choo, a Malaysian, aged 57, is our substantial shareholder. He graduated from Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia) with a Doctor of Veterinary Medicine in 1983 and obtained a Master of Science from the same university in 1991. He is also a veterinary surgeon registered with the Malaysian Veterinary Council and a member of the Veterinary Association Malaysia since 1983.

He began his career as a Veterinary Officer at Department of Veterinary Services Malaysia from 1978 to 1990 where he was emplaced with responsibilities in dairy production in Johor, swine production, animal waste management and state veterinary administration in Selangor. He was subsequently promoted as the Head of Swine Unit in the Department of Veterinary Services, Kuala Lumpur in 1990 where he undertook responsibilities in swine production, breeding, R&D, field technical and advisory services and export farm certification. He subsequently joined Dindings Poultry Development Centre Sdn Bhd, a subsidiary of Malayan Flour Mills Berhad as a Technical Manager in 1992 where he was responsible for managing the broiler operations. In 1994, he was promoted to Deputy General Manager of Dindings Broiler Breeder Farms Sdn Bhd, one of the subsidiaries of Malayan Flour Mills Berhad, with the duties of managing broiler, hatchery and broiler breeder operations.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

He subsequently joined Bayer Malaysia Sdn Bhd in 1996 as a Development and Advisory Manager (Animal Health Division) and was in charge of the R&D activities, regulatory and registration matters with the relevant authorities. In 1999, he joined Rhodia Malaysia Sdn Bhd as the Division Manager of the animal health division where he was involved in the trading activities of animal health products. In 2000, he left Rhodia Malaysia Sdn Bhd and established Rhone Ma Malaysia, which acquired the animal health division of Rhodia Malaysia Sdn Bhd. Since then, he was appointed as the General Manager and assumed the role of Managing Director of Rhone Ma Malaysia where he set up the platform for the growth strategy and development of Rhone Ma Malaysia and its group of companies. He was appointed as the Chairman of Rhone Ma Malaysia in 2010 prior to his retirement in 2012.

Since 2012, he continues to provide consultancy services in the area of general corporate matters to Rhone Ma Malaysia. He served as an Adjunct Associate Professor in Universiti Putra Malaysia over various periods from 2012 and ending 2016 and as an Adjunct Professor in Universiti Kelantan Malaysia in 2014. He was also a member of the Malaysian Veterinary Council for four (4) three-year terms the last of which ended on 14 September 2016. He currently sits on the board of several private limited companies.

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8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.1.3 Changes in Promoters and Substantial Shareholders' Shareholdings in Our Company Since Incorporation

Save as disclosed below, there has been no changes in Promoters' and substantial shareholders' shareholdings in our Company since the date of incorporation up to the completion of the Listing Exercise:

Name of Promoters / substantial shareholders	As at incorporation			As at the LPD			After the Listing Exercise			
	Direct		Indirect	Direct		Indirect	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	% ^(a)	No. of Shares held	% ^(a)	No. of Shares held	% ^(b)	No. of Shares held	% ^(b)
Hedzir Bin Aminudin	1	50.00	-	-	-	-	-	-	-	-
Marlina Binti Budin	1	50.00	-	-	-	-	-	-	-	-
BASB	-	-	-	68.50	84,856,400	51.12	84,856,400	51.12	-	-
Dr. Lim	-	-	-	3.00	3,716,300	68.50	3,716,300	2.24	84,856,400 ^(c)	51.12
Foong Kam Weng	-	-	-	-	84,856,400 ^(c)	68.50	84,856,400 ^(c)	-	84,856,400 ^(c)	51.12
Dr. Yip	-	-	-	-	84,856,400 ^(c)	68.50	84,856,400 ^(c)	-	84,856,400 ^(c)	51.12
Chew Chong Hock	-	-	-	7.00	8,671,500	-	8,671,500	5.22	-	-
Ker Boon Tong	-	-	-	7.00	8,671,500	-	8,671,500	5.22	-	-
Tan Leong Ann	-	-	-	7.00	8,671,500	-	8,671,500	5.22	-	-
Dr. Raymond Choo	-	-	-	5.00	6,193,900	-	6,193,900	3.73	-	-

Notes:

(a) Based on the issued and paid-up share capital of 123,878,000 Shares as at the LPD.

(b) Based on the enlarged issued and paid-up share capital of 166,000,000 Shares.

(c) Deemed interested by virtue of his or her direct interest in BASB pursuant to Section 6A of the Act.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.2 Directors

8.2.1 Directors' Shareholdings

The Directors and their respective shareholdings in our Company before our IPO and after the Listing Exercise are as follows:

Name	Nationality	Designation	Before our IPO ^(a)				After the Listing Exercise			
			Direct		Indirect		Direct		Indirect	
			No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Hamzah	Malaysian	Independent Non-Executive Chairman	-	-	-	-	100,000 ^(b)	0.06	-	-
Dr. Lim	Malaysian	Group Managing Director	3,716,300	3.00	84,856,400 ^(c)	68.50	3,716,300	2.24	84,856,400 ^(c)	51.12
Foong Kam Weng	Malaysian	Executive Director / Group Sales Director	-	-	84,856,400 ^(c)	68.50	-	-	84,856,400 ^(c)	51.12
Dr. Yip	Malaysian	Executive Director / Group Marketing & Technical Director	-	-	84,856,400 ^(c)	68.50	-	-	84,856,400 ^(c)	51.12
Martin Jeyaratnam A/L Thiagaraj	Malaysian	Independent Non-Executive Director	-	-	-	-	100,000 ^(b)	0.06	-	-
Rahanawati Binti Ali Dawam	Malaysian	Independent Non-Executive Director	-	-	-	-	50,000 ^(b)	0.03	-	-
Teoh Chee Yong	Malaysian	Independent Non-Executive Director	-	-	-	-	100,000 ^(b)	0.06	-	-

Notes:

(a) Based on the shareholdings of the Directors in our Company after the Acquisitions but prior to the IPO.

(b) Assuming full subscription of the Public Issue Shares made available to eligible Directors.

(c) Deemed interested by virtue of his or her direct interest in BASB pursuant to Section 6A of the Act.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.2.2 Profile of Directors

The profiles of our Directors are as follows:

(i) Dato' Hamzah

Dato' Hamzah, a Malaysian, aged 68, is our Independent Non-Executive Chairman. He was appointed to our Board on 1 April 2015. He graduated with a Diploma in Management from Malaysian Institute of Management in 1980. Subsequently in 1989, he obtained a Master of Business Administration from University of Bath, United Kingdom.

He articulated at Price, Waterhouse & Co. (now known as PricewaterhouseCoopers) in 1969. He left Price, Waterhouse & Co. as an Audit Assistant in 1974 to join Pillar Naco Malaysia Sdn Bhd, a company involved in the fabrication of architectural metal as the Finance and Administration Manager in 1975. In 1981, he left Pillar Naco Malaysia Sdn Bhd and joined Pemas Sime Darby group where he held several senior managerial positions within the Pemas Sime Darby group and the Sime Darby group of companies. His last position was the General Manager of Sime Swede Distribution Services Sdn Bhd before he left in September 1994. He joined Malaysia Aica Berhad (now known as Sunsuria Berhad) as an Executive Director in 1995 and was redesignated as a Non-Executive Director in January 1997. He resigned as a Non-Executive Director of Malaysia Aica Berhad in 2001.

In April 1996, he was appointed as a Non-Executive Director of Spanco Sdn Bhd, a company involved in providing fleet management services and subsequently he joined Spanco Sdn Bhd as an Executive Director in February 1997. Currently, Dato' Hamzah is the Chief Executive Officer of Spanco Sdn Bhd. He is also a director of PRG Holdings Berhad which is listed on Bursa Securities. He also sits on the board of various other private limited companies based in Malaysia.

(ii) Dr. Lim

Dr. Lim, a Malaysian, aged 45, is our Group Managing Director. He was appointed to our Board on 1 April 2015. He graduated from Universiti Putra Malaysia with a Doctor of Veterinary Medicine in 1997. He is also a veterinary surgeon registered with the Malaysian Veterinary Council since 1997 and a member of the Veterinary Association Malaysia since 1998.

He began his career as Technical Sales Executive at Pahang Pharmacy Sdn Bhd in 1997 where he was responsible for providing veterinary services and promoting veterinary products to swine and poultry farms. He left Pahang Pharmacy Sdn Bhd in 1998 and joined Rhone-Poulenc Malaysia Sdn Bhd (which was subsequently known as Rhodia Malaysia Sdn Bhd in 1998) as a Techno-Commercial Executive in the animal health division. He was in charge of the product portfolio covering veterinary pharmaceutical and biological products during his tenure with Rhodia Malaysia Sdn Bhd. Subsequently in 2000, he left Rhodia Malaysia Sdn Bhd and joined Rhone Ma Malaysia which acquired the animal health division of Rhodia Malaysia Sdn Bhd. Since then, he has been the Techno-Commercial Manager of Rhone Ma Malaysia and was subsequently promoted to General Manager in 2010 and assumed the role of Managing Director in 2013.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Currently, he is our Group Managing Director where he is responsible for the overall management of our Group's operations, strategic planning and development of our business strategies.

(iii) Foong Kam Weng

Foong Kam Weng, a Malaysian, aged 56, is our Executive Director / Group Sales Director. He was appointed to our Board on 1 April 2015. He graduated with a Degree of Bachelor of Science from the Department of Animal Husbandry, College of Agriculture, National Chung-Hsing University, Taiwan in 1983.

He joined Sin Kian Huat Farming Sdn Bhd in 1984 as a Farm Manager where he was responsible for the management of the farm. In 1987, he left Sin Kian Huat Farming Sdn Bhd and joined Pfizer Private Limited as a Sales Representative in the animal health division and was responsible for the sales activities in Selangor and East Coast of Peninsular Malaysia. He left Pfizer Private Limited in 1991 and joined Rhone-Poulenc Malaysia Sdn Bhd (which was subsequently known as Rhodia Malaysia Sdn Bhd in 1998) as a Techno-Commercial Executive in the animal health division where he was in charge of the sales activities in Malaysia, Singapore and Brunei. In 2000, he left Rhodia Malaysia Sdn Bhd and established Rhone Ma Malaysia, which acquired the animal health division of Rhodia Malaysia Sdn Bhd. Since then, he has been the Sales Manager of Rhone Ma Malaysia and was subsequently promoted to Director of Sales in 2010.

Currently, he is our Group Sales Director where he is responsible for the sales and business development activities of our Group.

(iv) Dr. Yip

Dr. Yip, a Malaysian, aged 54, is our Executive Director / Group Marketing & Technical Director. She was appointed to our Board on 1 April 2015. She graduated from National Taiwan University with a Bachelor of Veterinary Medicine in 1987. She is also a veterinary surgeon registered with the Malaysian Veterinary Council, an Accredited Veterinarian (Scope of Services - Management Biologic and Veterinary Drugs) by Department of Veterinary Service, Malaysia and a life member of the Veterinary Association Malaysia since 2013.

She started her career with Che Dar Pharmaceutical Co. in Taiwan as a Technical Coordinator in 1987 where she was responsible for technical support and laboratory testing. She then returned to Malaysia and joined Coopers Animal Health (M) Sdn Bhd as a Sales and Technical Coordinator in 1989 and was promoted to Field Service Manager in 1991. During her tenure with Coopers Animal Health (M) Sdn Bhd, she was responsible for the provision of technical services and veterinary services to customers as well as for the sales of the company's animal health products. In 1993, she joined Sanofi (Malaysia) Sdn Bhd as a Technical Executive and was promoted to Technical Manager before she left the company in 1995. She then joined Rhone-Poulenc Malaysia Sdn Bhd (which was subsequently known as Rhodia Malaysia Sdn Bhd in 1998) as a Techno-Commercial Manager in 1995, where she was responsible for the marketing of avian biological and pharmaceutical products and providing veterinary advisory services to the customers. In 2000, she left Rhodia Malaysia Sdn Bhd and joined Rhone Ma Malaysia which acquired the animal health division of Rhodia Malaysia Sdn Bhd. Since then, she has been the Senior Techno-Commercial Manager of Rhone Ma Malaysia prior to her promotion as the Technical Service Director in 2010.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Currently, she is our Group Marketing & Technical Director where she is primarily responsible for the marketing, technical and R&D functions of our Group, including providing technical advice and support as well as establishing and executing our branding strategy.

(v) **Martin Jeyaratnam A/L Thiagaraj**

Martin Jeyaratnam A/L Thiagaraj, a Malaysian, aged 70, is our Independent Non-Executive Director. He was appointed to our Board on 1 April 2015. He obtained a Diploma in Accounting and Auditing from the English Association of Accountants and Auditors, United Kingdom in 1978. He is also a member of the Malaysian Institute of Management since 1991.

In 1967, he began his career as an Assistant Accountant at May & Baker Ltd and was promoted to Accounts Manager in 1970 where he was responsible for the accounting matters of the company. In 1976, subsequent to various mergers and acquisitions, May & Baker Ltd became Rhodia Malaysia Sdn Bhd and he was promoted to Finance Manager in charge of the financial matters of the company prior to his retirement in 2000. Subsequent to his retirement, he provided consultancy services in the areas of administrative and general corporate matters to Rhone Ma Malaysia from 2009 to 2014.

(vi) **Rahanawati Binti Ali Dawam**

Rahanawati Binti Ali Dawam, a Malaysian, aged 64, is our Independent Non-Executive Director. She was appointed to our Board on 1 April 2015. She graduated with a Bachelor of Laws (Hons) from University of Buckingham, United Kingdom in 1983. Subsequently in 1998, she obtained a Master of Laws from University of Malaya.

She began her legal career as a Legal Officer at Syarikat Perumahan Pegawai Kerajaan Sdn Bhd in 1985. She left the company as the Head of Legal Unit before she joined Sentosa Corporation Berhad (then a public listed company) in 1993 as Group Legal Adviser and Company Secretary where she was responsible for the corporate and legal matters of the company. In 1997, she left Sentosa Corporation Berhad and she was admitted to the Malaysian Bar in 1998. She joined the legal firm, Abu Talib Shahrom as an associate in the same year.

Currently, she is a senior partner of Abu Talib Shahrom and heads the corporate practice group of the firm. She also sits on the board of several private limited companies.

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8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(vii) Teoh Chee Yong

Teoh Chee Yong, a Malaysian, aged 45, is our Independent Non-Executive Director. He was appointed to our Board on 1 April 2015. He graduated from Universiti Utara Malaysia with a Bachelor of Accountancy (Hons) in 1996. He is a Chartered Accountant of the Malaysian Institute of Accountants since 1999.

He started his career as an Audit Assistant at Ernst and Young in 1996 where he was involved in the statutory audit of private and public limited companies. He then joined NEC Computers (Malaysia) Sdn Bhd as a Senior Regional Accountant in 1999 and was responsible for the accounting and finance functions of the company. In 2001, he joined Visa Worldwide Pte Ltd in Singapore where he held various regional roles including Manager for internal audit, treasury and taxation, Senior Manager for financial reporting, management reporting and finance operations and Finance Controller for business and functional divisions. He left the company as a Senior Business Leader, Head of Sales Support for Asia Pacific, Central Europe, Middle East and Africa in 2010. He returned to Malaysia to join CIMB Bank Berhad in 2011 as a Vice President for Business Planning at Group Cards and Personal Financing Division where he was responsible for business planning activities covering the ASEAN markets. He left CIMB Bank Berhad in 2012 and joined RHB Banking Group in the same year.

He is currently the Head of Group Procurement and Services at RHB Banking Group.

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8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.2.3 Principal Activities Performed Outside Our Group

None of our Directors hold other principal directorships at present and in the past five (5) years prior to the LPD and / or business activities performed outside of our Group at present, save for the following:

Name of Director	Company	Principal activities	Involvement in business activities	Equity interest held		Date of appointment as director / Date of joining as partner	Date of resignation as director
				Direct %	Indirect %		
Dato' Hamzah	Autofleet Sdn Bhd	Dormant	Director	-	-	15.10.2008	-
	Amshore Holdings Sdn Bhd ^(a)	Processing, manufacturing and selling of drinking water	Director	-	-	01.02.2007	18.10.2011
	Amshore Vista Sdn Bhd ^(a)	Dormant	Director	-	-	15.03.2010	18.10.2011
	Arowana Dotcom Sdn Bhd	Dormant. Struck off on 13.05.2016	Director	-	-	18.03.2004	-
	Best Auctions Global Sdn Bhd	Dormant	Director / Shareholder	20.00	-	23.12.2008	-
	Best Autofleet Sdn Bhd	Dormant	Director / Shareholder	21.00	-	01.12.2008	-
	Bio Osmo Berhad	Investment holding of non-listed shares of its subsidiary companies principally involved in processing, manufacturing and selling of drinking water	Director / Shareholder	0.67	-	16.07.2007	18.10.2011
	CHH Pacific Paper Sdn Bhd	Manufacturing of coated duplex and other related products ^(c)	Director	-	-	05.02.2007	-
	Ciniria Sdn Bhd	General traders, manufacturers, importers, exporters and distributors, investment lands, houses, buildings and plantations, investment shares, stocks and debentures ^(c)	Shareholder	20.00	-	-	-
	Corporate Advisory and Re-engineering Services Sdn Bhd	Business consultancy	Director	-	-	10.02.2010	18.10.2011
	Doz Construction Sendirian Berhad	Investment holding in construction related field	Director	-	-	02.02.1996	-
	Fleet Insurance Agency Sdn Bhd	Insurance agent	Director	-	-	09.07.1998	-

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Company	Principal activities	Involvement in business activities	Equity interest held		Date of appointment as director / Date of joining as partner	Date of resignation as director
				Direct %	Indirect %		
Dato' Hamzah (Cont'd)	Focus Point Holdings Berhad	Investment holding of non-listed shares of its subsidiary companies principally involved in the provision of medical eye care services, management of franchised professional eye care centres, operation of professional eye care centres, trading of eyewear and eye care products and retailing of optical and related products	Director	-	-	01.04.2010	03.08.2015
	Matagoda Holdings Sdn Bhd	Dormant	Shareholder	70.00	-	-	-
	Mayang Ulung Sdn Bhd	Dormant ^(b)	Director	-	-	15.01.1996	-
	Morning Valley Sdn Bhd ^(e)	Dormant	Director	-	-	20.08.2009	10.10.2011
	PDZ Holdings Bhd	Investment holding of non-listed shares of its subsidiary companies principally involved in shipping and provision of related services	Director	-	-	09.04.1996	05.06.2014
	Perkapalan Dai Zhun Sdn Bhd ^(d)	Shipping and provision of related services	Director	-	-	27.09.1995	05.06.2014
	Perkapalan Dai Zhun (Johore) Sdn Bhd ^(d)	Shipping and provision of related services	Director	-	-	01.12.1997	05.06.2014
	PRG Holdings Berhad	Investment holding of non-listed shares of its subsidiary companies principally involved in manufacture and sale of upholstery webbings, covered elastic yarn and rigid webbings, manufacture and marketing of rubber strips and sheets, manufacture and sale of narrow fabrics and metal components for furniture industry, trading of machinery and accessories, property development and related activities, and provision of management services	Director	-	-	21.07.2003	-
	Riszt Sdn Bhd	Investment holding in property	Shareholder	39.99	-	-	-
	Spanco Sdn Bhd	Fleet management involving the supply and lease of saloon vehicles and investment holding	Director	-	-	02.04.1996	-
	Spancodua Sdn Bhd	Dormant	Director	-	-	09.06.1997	07.02.2014

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Company	Principal activities	Involvement in business activities	Equity interest held		Date of appointment as director / Date of joining as partner	Date of resignation as director
				Direct %	Indirect %		
Dato' Hamzah Hamzah (Cont'd)	WZ Satu Berhad	Investment holding of non-listed shares of its subsidiary companies principally involved in manufacturing and processing of cold drawn bright steel products and related steel products, dealers in steel products, construction and civil engineering, provision of power generation and power solutions to oil and gas industry and power sector and provision of management services	Shareholder	0.33	-	-	-
Dr. Lim	Asia Citrex Co., Limited BASB	Consultancy services Investment holding of shares	Director Director / Shareholder	-	-	16.06.2011	31.12.2014
				37.21	-	13.02.2015	-
Foong Kam Weng	Rhone Specialities (M) Sdn Bhd BASB	Manufacturing, research and development and trading in food product. Struck off on 09.05.2016 Investment holding of shares	Director / Shareholder	25.00	-	23.04.2007	-
				30.66	-	13.02.2015	-
Dr. Yip	Asia Citrex Co., Limited BASB	Manufacturing, research and development and trading in food product. Struck off on 09.05.2016 Consultancy services Investment holding of shares	Director / Shareholder	25.00	-	23.04.2007	-
				-	-	16.06.2011	31.12.2014
Rahanawati Binti Ali Dawam	Rhone Specialities (M) Sdn Bhd Aidforstartup Ventures Sdn Bhd Beta Hitech Sdn Bhd Cammark Sdn Bhd	Manufacturing, research and development and trading in food product. Struck off on 09.05.2016 Management consultancy services Dormant ^(b) Dormant	Director / Shareholder Shareholder Director / Shareholder	25.00	-	23.04.2007	-
				21.90	-	27.05.2015	-
				5.00	-	05.10.2015	-
				50.00	-	-	-
				50.00	-	05.03.2012	-

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Company	Principal activities	Involvement in business activities	Equity interest held		Date of appointment as director / Date of joining as partner	Date of resignation as director
				Direct %	Indirect %		
Rahanawati Binti Ali Dawam (Cont'd)	Mercy Mission Malaysia	To propagate the religion of Islam and to carry out project, outreach programme and other activities in the sphere of dakwah, commerce and culture, to promote greater understanding and awareness of Islam and to foster good relation with other religious communities, and civic and service organisations	Director	-	-	12.03.2012	-
	Newgro Berhad	Dormant ^(b)	Director / Shareholder	50.00	-	20.12.2011	-
	Orchard Blossom Sdn Bhd	Dormant	Director / Shareholder	50.00	-	20.08.2013	-
	Perspektif Indera Sdn Bhd	To transact as business as general traders, acquisition of lands, houses and to run contracting business ^(b)	Director / Shareholder	33.33	-	07.06.2011	05.05.2014
	Ranhillwp Sdn Bhd	Investment holding	Director	-	-	16.07.2012	27.08.2012
	Ranhill Water (Sabah) Sdn Bhd	General traders, acquisition of lands, house and contracting business ^(b)	Director	-	-	27.01.2004	-
	Specialist Oils & Emulsions Sdn Bhd	Engaged in providing project development services ^(b)	Director	-	-	05.09.2008	-
	Titan Field Sdn Bhd	Dormant ^(b)	Director	-	-	05.09.2008	-
Teoh Chee Yong	Damai Dhuha Sdn Bhd	Dormant	Director	-	-	08.04.2011	10.09.2012
	Inner Journey Wellness	Consultancy on wellness and event management	Partner	-	-	27.07.2012	-

Notes:

- (a) Subsidiaries of Bto Osmo Berhad, a company listed on the Main Market.
- (b) In the process of being struck off under Section 308 of the Act.
- (c) In the process of winding up.
- (d) Subsidiaries of PDZ Holdings Bhd, a company listed on the Main Market.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Dato' Hamzah, Martin Jeyaratnam A/L Thiagaraj, Rahanawati Binti Ali Dawam and Teoh Chee Yong, being our Independent Non-Executive Directors are not involved in the day-to-day operations of our Group. Their involvement in other business activities outside our Company, if any, will not affect their contributions to our Group and would not be expected to affect the operations of our Group as the business activities are not similar to our Group.

The involvement of our Executive Directors namely, Dr. Lim, Foong Kam Weng and Dr. Yip in other business activities outside our Company will not affect their contributions to our Group and would not be expected to affect the operations of our Group as the companies are involved in investment holding of shares and do not give rise to any conflict of interest with our business.

8.2.4 Directors' Remuneration and Material Benefits-in-Kind

The aggregate current and proposed remuneration for services rendered / to be rendered by our Directors in all capacities to our Group for the FYE 31 December 2015 and FYE 31 December 2016 are as follows:

Name	Remuneration band	
	FYE 31 December 2015 (Actual) RM'000	FYE 31 December 2016 (Proposed) RM'000
Dato' Hamzah	0 – 50	50 – 100
Dr. Lim	550 – 600	750 – 800
Foong Kam Weng	400 – 450	550 – 600
Dr. Yip	350 – 400	400 – 450
Martin Jeyaratnam A/L Thiagaraj	0 – 50	0 – 50
Rahanawati Binti Ali Dawam	0 – 50	0 – 50
Teoh Chee Yong	0 – 50	0 – 50

The above remuneration which comprises salaries, bonuses, fees and allowances and other benefits-in-kind of our Directors must be considered and recommended by our Remuneration Committee and subsequently be approved by our Board. Our Directors' fees are subject to shareholders' approval at a general meeting.

8.2.5 Benefits Paid or Intended to be Paid or Given to Promoters, Directors or Substantial Shareholders

Save as disclosed in Section 8.2.4 above and salaries paid to our substantial shareholders who are our employees, no amounts or benefits were paid or intended to be paid or given to any Promoters, Directors or substantial shareholders by our Company within the two (2) years preceding the LPD.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.2.6 Directors' Term of Office

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the period for which the Director has served in that office are as follows:

Name	Designation	Date of appointment	Date of expiration of the current term of office	No. of year(s) in office
Dato' Hamzah	Independent Non-Executive Chairman	1 April 2015	At our first annual general meeting	> 1
Dr. Lim	Group Managing Director	1 April 2015	At our first annual general meeting	> 1
Foong Kam Weng	Executive Director / Group Sales Director	1 April 2015	At our first annual general meeting	> 1
Dr. Yip	Executive Director / Group Marketing & Technical Director	1 April 2015	At our first annual general meeting	> 1
Martin Jeyaratnam A/L Thiagaraj	Independent Non-Executive Director	1 April 2015	At our first annual general meeting	> 1
Rahanawati Binti Ali Dawam	Independent Non-Executive Director	1 April 2015	At our first annual general meeting	> 1
Teoh Chee Yong	Independent Non-Executive Director	1 April 2015	At our first annual general meeting	> 1

According to Article 88 of our Articles of Association, at the first annual general meeting of our Company, all the Directors shall retire from office and at the annual general meeting in every subsequent year, one third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he / she retires. An election of the Directors shall take place every year and all the Directors shall retire from office at least once in every three (3) years. A retiring Director shall be eligible for re-election.

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8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.3 Audit and Risk Management, Remuneration and Nominating Committee

8.3.1 Audit and Risk Management Committee

The members of the Audit and Risk Management Committee consist of the following:

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

Our Audit and Risk Management Committee's terms of reference include the following:

- (i) recommend to our Board on the appointment and re-appointment of the external auditors and their audit fee, after taking into consideration the suitability, independence and objectivity of the external auditors and the cost effectiveness of the audit;
- (ii) review with the external auditors, the nature, scope and plan of the audit, including any changes to the scope of the audit plan before the audit commences and report the same to our Board;
- (iii) review and report to our Board on the adequacy of the scope, competency, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (iv) review the Company's quarterly results and year-end financial statements before submission to our Board;
- (v) review and report to our Board any related party transaction and conflict of interest situation that may arise including any transaction, procedure or course of conduct that raises questions of management integrity; and
- (vi) any other activities as authorised by our Board.

The Audit and Risk Management Committee may obtain advice from independent parties and other professionals in the performance of its duties. The performance and term of office of the Audit and Risk Management Committee and each of its members shall be reviewed by our Board via Nominating Committee annually to determine such Audit and Risk Management Committee and members have carried out their duties in accordance with their terms of reference.

8.3.2 Remuneration Committee

The members of the Remuneration Committee consist of the following:

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

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Our Remuneration Committee's terms of reference include the following:

- (i) determine and recommend to the Board the general remuneration policy for executive directors and non-executive directors, including non-executive chairman and senior management;
- (ii) review the remuneration package for the non-executive directors and the committees to be aligned with their responsibilities and contributions;
- (iii) align remuneration arrangements that focuses on senior management achieving long-term business objectives and growth in shareholders' wealth through formulation of incentive arrangements, including key performance indicators and performance hurdles; and
- (iv) review, at least once a year, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

8.3.3 Nominating Committee

The members of the Nominating Committee consist of the following:

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

Our Nominating Committee's terms of reference include the following:

- (i) evaluate the balance of skills, knowledge and experience on the Board, define the role and capabilities required for a particular appointment, and be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when necessary;
- (ii) make recommendations to the Board for the appointment of the chairman, chief executive officer and senior independent director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises;
- (iii) consider the size and balance of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board; and
- (iv) review, at least once a year, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.4 Key Management

8.4.1 Key Management's Shareholdings

The direct and indirect shareholdings of our key management in our Company before our IPO and after the Listing Exercise are as follows:

Name	Nationality	Designation	Before our IPO [†]			After the Listing Exercise				
			Direct		Indirect		Direct		Indirect	
			No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dr. Lim	Malaysian	Group Managing Director	3,716,300	3.00	84,856,400 [^]	68.50	3,716,300	2.24	84,856,400 [^]	51.12
Foong Kam Weng	Malaysian	Executive Director / Group Sales Director	-	-	84,856,400 [^]	68.50	-	-	84,856,400 [^]	51.12
Dr. Yip	Malaysian	Executive Director / Group Marketing & Technical Director	-	-	84,856,400 [^]	68.50	-	-	84,856,400 [^]	51.12
Dr. Lim Hang Chern	Malaysian	Senior Techno-Commercial Manager	3,096,900	2.50	-	-	3,096,900*	1.87	-	-
Chan Yan San	Malaysian	Group Finance Director	-	-	-	-	-*	-	-	-
Goh Wee Chong	Malaysian	Group General Manager - Operations	-	-	-	-	-*	-	-	-

Notes:

* Based on the shareholdings of the key management in our Company after the Acquisitions but prior to the IPO.

[^] Deemed interested by virtue of his or her direct interest in BASB pursuant to Section 64 of the Act.

* This has not taken into consideration the potential subscription of their allocated Public Issue Shares under the Pink Form Allocation.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

8.4.2 Profiles of Our Key Management

The profiles of Dr. Lim, Foong Kam Weng and Dr. Yip have been detailed out in Section 8.2.2 of this Prospectus while the profiles of the other key management of our Group are as follows:

(i) Dr. Lim Hang Chern

Dr. Lim Hang Chern, a Malaysian, aged 37, is our Senior Techno-Commercial Manager. He is in charge of technical advisory, marketing and business development of feed additive products in Malaysia. He graduated from Universiti Putra Malaysia with a Doctor of Veterinary Medicine in 2004. He is also a veterinary surgeon registered with the Malaysian Veterinary Council and an Accredited Veterinarian (Scope of Services - Management Biologic and Veterinary Drugs) by Department of Veterinary Service, Malaysia.

He began his career in 2004 as a Veterinarian at Y.S.P. Industries (M) Sdn Bhd where he was responsible for providing technical support to customers and treatment to livestock. In 2005, he joined our Group as a Techno-Commercial Representative and was responsible for providing technical support and sales services to our customers. He was then promoted to Assistant Business Development Manager and Business Development Manager in 2008 and 2009, respectively where he was responsible for assisting in new product development and providing technical services to customers. He was promoted to Techno-Commercial Manager of Rhone Ma Malaysia in 2010 and subsequently to Senior Techno-Commercial Manager of our Group in 2015.

(ii) Chan Yan San

Chan Yan San, a Malaysian, aged 47, is our Group Finance Director. He is primarily responsible for the financial and accounting functions of our Group. He graduated from the University of New South Wales, Australia with a Bachelor of Commerce in 1992. He is a Certified Practising Accountant of CPA Australia since 1996 and a Chartered Accountant of the Malaysian Institute of Accountants since 1997.

He began his career in 1993 with Arthur Andersen & Co. as an Audit Assistant where he was responsible for statutory audit of private and public limited companies, internal audit review and fraud investigation exercise. He left Arthur Andersen & Co. as a Manager in 2000 to join Federal Paint Factory Sdn Bhd as a Finance Manager. In 2001, he was promoted to Chief Executive Officer cum Finance Manager where he was responsible for overseeing the company's marketing and business development activities, implementation of approved development plans and policies as well as handling all matters pertaining to accounting and finance. He then joined Prestasi Flour Mill (M) Sdn Bhd in 2004 as the Financial Controller where he was responsible for all accounting and finance matters of the company. In 2005, he joined Furniweb Industrial Products Berhad (now known as PRG Holdings Berhad) as Group Financial Controller and was promoted to Chief Financial Officer in 2008. During his tenure with Furniweb Industrial Products Berhad, he was responsible for numerous functions within the company including accounting, finance, human resource, administration and information technology matters. He left Furniweb Industrial Products Berhad and joined our Group as Finance Director in 2014.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

(iii) Goh Wee Chong

Goh Wee Chong, a Malaysian, aged 58, is our Group General Manager - Operations. He is responsible for the overall general administrative and operational functions including human resources, warehouse, logistics, commercial services, laboratory, GMP-compliant manufacturing activities and product quality assurance of our Group. He obtained a Certificate in Human Resource Management from Universiti Malaya in 1999.

He began his career as an Accounts Clerk at Tan Chong Motor Assembly Berhad in 1979 where he was responsible for the payroll function. After leaving Tan Chong Motor Assembly Berhad in 1980, he joined Hock Lee Rubber Sdn Bhd as a Marketing Executive where he was involved in the marketing of crepe rubber sole. In 1981, he joined Klenco Sdn Bhd as an Administration Officer at Klenco Sdn Bhd where his responsibilities included preparation of financial accounts, warehousing and general office administration. He then left to join AdVision Sdn Bhd in 1984 as an Accounts Executive and was in charge of the company's accounts and general administration. After a short stint with AdVision Sdn Bhd, he left to join Rhone-Poulenc Malaysia Sdn Bhd (then known as M & B (Malaysia) Sdn Bhd) in the same year. From 1984 to 2009, he held the positions of Accounts Executive, Office Assistant, Human Resource Executive and Human Resource Manager in Rhone-Poulenc Malaysia Sdn Bhd (which was subsequently known as Rhodia Malaysia Sdn Bhd) where he was mainly involved in the human resource functions including payroll, office administration and statutory compliance matters of the companies and providing regional support for human resource projects in the Asian region. In 2009, he left Brenntag Malaysia Sdn Bhd (formerly known as Rhodia Malaysia Sdn Bhd) as a Human Resource Manager. He then joined our Group in 2010 as the Human Resources and Administration Manager and was promoted to General Manager - Operations in 2014.

8.5 Involvement of Key Management in Other Businesses / Corporations

Save as disclosed in Section 8.2.3 of this Prospectus and below, none of our key management is involved in other businesses / corporations as at the LPD:

Name	Company	Principal activities	Involvement in business activities
Chan Yan San	Infinity Bytes Sdn Bhd	Dormant ^(a)	Shareholder

Note:

(a) In the process of being struck off under Section 308 of the Act.

8.6 Declarations from Our Promoters, Directors and Key Management

None of our Promoters, Directors and key management is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws that was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (iii) charged and / or convicted in a criminal proceeding or is named subject of a pending criminal proceeding;
- (iv) any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

8.7 Relationships

As at the LPD, there are no family relationships (as defined in Section 122A of the Act) or associations between our substantial shareholders, Promoters, Directors and key management.

8.8 Service Agreements

As at the LPD, there are no existing or proposed service agreements between our Group and Directors or key management, excluding contracts expiring or determinable by our Company without payments or compensation (other than statutory compensation), which are not terminable by notice without payment or compensation (other than statutory notice).

8.9 Information on Our Employees

The breakdown of our employees based on job category is as follows:

Category	Number of employees				
	<----- As at 31 December ----->			As at 31 August 2016	As at the LPD
	2013	2014	2015		
<u>Corporate office operations</u>					
Management and professionals	10	11	10	10	10
Sales and marketing	24	24	27	27	26
Administrative	18	19	23	20	20
R&D	7	8	8	10	10
Total	59	62	68	67	66
<u>Warehouse and production</u>					
Managers and supervisors	7	7	7	9	9
Support staff	16	19	21	21	22
Total	23	26	28	30	31
<u>Nationality</u>					
Local	82	88	96	97	97
Foreign	-	-	-	-	-
Total	82	88	96	97	97

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Over the years, our Group has never experienced a major turnover in terms of our employees. Our Group does not employ any foreign workers and we have only five (5) contractual and / or temporary workers as at the LPD.

None of our employees belong to any trade unions and they have good working relationships with our management. There has not been any past industrial dispute between the management and the employees.

Training and Development

Our Group believes that our employees are the most valuable asset and key drivers behind our organisational growth, productivity and operational effectiveness. Our Group aims to provide at least one training course per annum in the area of soft skills, technical knowledge and regulatory updates or in job competencies to every employee in order to efficiently develop their professional skills.

The areas of skills have been categorised as follows:

- Sales, technical and marketing competencies
- Technical - marketing competencies
- Technical - R&D, laboratory and production competencies
- Quality improvements to system and organisation
- Occupational health and safety regulatory and legal compliance
- Occupational health and safety activities and programmes
- New employees orientation programme

Employees in our Group will go through a training needs analysis done by the respective Heads of Department. The Human Resource Department will follow through with the competence, training and awareness procedure to ensure that training will be provided. All training is conducted to ensure our employees acquire the necessary skills, knowledge and attitude in their line of work. Specific educational programmes that will meet the required new portfolio of any new positions / roles are also identified for the employee's career progression and for our Group's succession planning.

Assessment of Skills and Effectiveness of Training

The skills of each employee will be assessed through pro-active reporting, surprise checks, mock exercises, safety inspection at workplace, occupational health and safety near misses, incidents and accidents and also during performance development process reviews.

Employees who successfully complete any specific training will assume an action plan to improve skills or quality standards. A post action plan will then be used to review the effectiveness of the training he / she underwent. If any of the training was reviewed to be below expected standards, refresher training will be conducted.

The table below lists some of the training and development programmes completed by some of our employees for the past three (3) years. The programmes encompass internal and external training and development programmes.

Date	Programme	Trainer / Organiser
Sales, Technical and Marketing Competencies		
March 2013	Premex Alpha D3 Training	Premex Inc.
September 2013	Asia Pacific Distributors Conference	Joosten Products B. V.
May 2014	World Veterinary Poultry Association: Poultry Viruses: From Threat to Therapy	Universiti Putra Malaysia

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Date	Programme	Trainer / Organiser
June 2014	Merial Vet Technical Training 2.0	Merial Asia Pacific
July 2014	Rovabio Max Product Training	Adisseo
April 2015	Induction Course for Registration Programme of Accredited Veterinarians (Kursus Induksi Program Pendaftaran Veterinawan Bertauliah)	Department of Veterinary Services Malaysia
May 2015	Optimisation of Layer and Breeder Performance	Merial Asia Pte Ltd
Jan 2016	2016 International Poultry Course	The University of Georgia, Department of Poultry Science, USA
Technical - R&D, Laboratory and Production Competencies		
February 2013	Refresher: Handling Powder Equipment	In-house
July 2013	Handling of Liquid Equipment	In-house
February 2014	GMP Documentation	In-house
July 2014	Briefing on Cube Blender	In-house
May 2015	High Performance Liquid Chromatography (HPLC) – Software for data analysis	In-house
October 2015	Management of Chemicals and Chemical / Lab Wastes	Malaysian Institute of Chemistry
January 2016	Cleaning Validation: Process Life Cycle Approach	International Society for Pharmaceutical Engineering
Quality Improvements to System and Organisation		
February 2013	Quality Assurance: Printed Material Control and Issuance	In-house
October 2013	Briefing on Producer, Administrator, Entrepreneur and Integrator (PAEI) Human Resource Assessment	In-house
October 2014	GMP: Clean Room and General Area	In-house
November 2014	Sojet Software Training	Oritronic
March 2015	Module 2 - Validation Principles and Practices	Malaysian Organisation of Pharmaceutical Industries
October 2015	Personal Success and Leadership - Creating A Success Mindset and Alignment with Organisation	Malaysian Institute of Management (MIM)
March 2016	Entrepreneurship Workshop: Doing Business in the USA	Bio Tech Corp, Malaysia
Occupational Health and Safety Regulatory and Legal Compliance		
October 2013	Introduction to Poison Act 1952	In-house
November 2013	Seminar on GST	BioTech Corp, Malaysia
August 2014	Requirement of CLASS Regulation 2014	In-house
October 2014	GST seminar - Implementation and awareness	Good Vision Wealth Management Sdn Bhd
January 2015	ISO 9001 Internal Auditing	SIRIM Training Services Sdn Bhd (STS)

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Date	Programme	Trainer / Organiser
August 2015	Industrial Hygiene Technician (Inspection, Testing and Examination of Engineering Control Equipment)	National Institute of Occupational Safety & Health (NIOSH)
February 2016	Building Operation and Maintenance (BOM2)	UMC Resources, Shah Alam
Occupational Health and Safety Activities and Programmes		
August 2013	Chemical Spill Response Training	Vibracon
August 2013	HIRADC (Hazard Identification, Risk Assessment and Determining Control) - Safety and Ergonomics	In-house
May 2014	Laboratory Safety Briefing	In-house
October 2014	Defensive Driving Briefing	Golden Gears Defensive Driving
February 2015	Forklift Operator and Safety Training	UMW Industries (1985) Sdn Bhd
August 2015	First Aider Certification	Academy of Safety and Emergency Care

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9. APPROVALS AND CONDITIONS

9.1 Conditions on Approvals for Our Listing Exercise

9.1.1 SC's Approval

The SC had, via its letter dated 6 May 2016 approved the waivers sought in relation to compliance with certain requirements under Division 1, Part I of the Prospectus Guidelines. The details of the waivers sought and accompanying conditions imposed by the SC are as follows:

Reference	Details of waivers sought	Conditions	Status of compliance
Paragraph 8.02(m)	To disclose the salient terms of the distribution agreement between Rhone Ma Malaysia and Merial SAS dated 7 November 2000 (latest amendment on 23 July 2014) (collectively "Merial Distribution Agreement"), subject to certain redaction, as proposed.	-	Noted
Paragraph 8.07	To allow a major customer of the Group to be disclosed in the Prospectus as "an established bread manufacturer in Malaysia".	-	Noted
Paragraph 18.01(b)	In relation to the Merial Distribution Agreement to be made available for public inspection, to redact selected sections under the terms relating to sales performance goals, product pricing, commission and remuneration.	-	Noted

The SC had, via its letter dated 29 August 2016, approved our Listing Exercise under Section 214(1) of the CMSA and the resultant equity structure of Rhone Ma Holdings under the equity requirements for public listed companies. The condition imposed by the SC and the status of compliance with the condition is as follows:

Condition	Status of compliance
PIVB and Rhone Ma Holdings to fully comply with the requirements of the SC Equity Guidelines and Prospectus Guidelines pertaining to the implementation of the Listing.	Noted

The SC, had also via its letter dated 29 August 2016, noted the effects of the Listing on the equity structure of Rhone Ma Holdings as follows:

Category of shareholder	Before the Listing		After the Listing	
	No. of Shares	%	No. of Shares	%
Bumiputera				
- Existing	2	100.00	-	-
- To be nominated and approved by MITI	-	-	16,600,000	10.00
- Via public balloting	-	-	4,150,000	2.50
- Via the Pink Form Allocation to the eligible Bumiputera Directors	-	-	150,000	0.09
Total Bumiputera	2	100.00	20,900,000	12.59
Non-Bumiputera	-	-	145,100,000	87.41
Foreigners	-	-	-	-
Total	2	100.00	166,000,000	100.00

9. APPROVALS AND CONDITIONS (Cont'd)**9.1.2 MITI's Approval**

MITI had, vide its letter dated 28 July 2016, taken note of and has no objection to our Listing.

9.1.3 Bursa Securities' Approval

Bursa Securities had, via its letter dated 2 November 2016, approved the admission of our Company to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company of RM83,000,000 comprising 166,000,000 Shares on the Main Market. The conditions imposed by Bursa Securities and the status of the compliance with these conditions are as follows:

Conditions	Status of compliance
Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements.	To be complied
Furnish Bursa Securities a copy of the schedule of distribution showing compliance to the share spread requirements based on the entire enlarged issued and paid-up share capital of Rhone Ma Holdings on the first day of listing.	To be complied
Payment of outstanding initial and annual listing fees to be calculated based on the final issue price of the Shares, if any. In this respect, Rhone Ma Holdings is required to furnish Bursa Securities a cheque drawn to the order of Bursa Malaysia Securities Berhad for the initial and annual listing fees together with a copy of the details of the computation of the amount of listing fees payable.	Complied

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9. APPROVALS AND CONDITIONS (Cont'd)

9.2 Moratorium on Our Shares

In accordance with the SC Equity Guidelines, our Promoters will not be allowed to sell, transfer or assign their entire shareholdings in our Company within six (6) months from the date of listing of our Company on the Main Market (“**Moratorium Period**”).

Our Promoters have provided an undertaking letter to the SC that they will not sell, transfer or assign their respective shareholdings under moratorium during the Moratorium Period, including all Shares, if any, issued to our Promoters during the Moratorium Period, in accordance with the SC Equity Guidelines.

The details of Shares to be held under moratorium are as follows:

Name	Direct		Indirect	
	No. of Shares held	% of enlarged share capital ^(a)	No. of Shares held	% of enlarged share capital ^(a)
BASB	84,856,400	51.12	-	-
Dr. Lim	3,716,300	2.24	84,856,400 ^(b)	51.12
Foong Kam Weng	-	-	84,856,400 ^(b)	51.12
Dr. Yip	-	-	84,856,400 ^(b)	51.12

Notes:

(a) Based on the enlarged issued and paid-up share capital of 166,000,000 Shares.

(b) Deemed interested by virtue of his or her direct interest in BASB pursuant to Section 6A of the Act.

The moratorium shall also apply to the shareholders of BASB, namely Dr. Lim, Foong Kam Weng, Dr. Yip and Chan Chew Yen, who have also collectively provided an undertaking letter to the SC that they will not sell, transfer or assign their respective shares in BASB during the Moratorium Period.

The moratorium is specifically endorsed on the shares certificates representing the Shares held by our Promoters which are under moratorium to ensure that our share registrar does not register any transfer that contravenes such restrictions.

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10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST

10.1 Existing and Proposed Related Party Transactions

Save for the Internal Restructuring, Acquisition of Rhone Ma Malaysia and as disclosed below, our Group has not entered into any non-recurrent related party transactions nor are there any proposed related party transactions to be entered into by our Group for the past three (3) financial years up to the FYE 31 December 2015, FPE 31 August 2016 and for the subsequent period up to the LPD, that are material to our Group and our related parties:

Related party	Company	Nature of relationship at the point of transaction	Nature of transaction	Transaction value for				As at the LPD RM'000
				<----- FYE 31 December ----->			FPE 31 August 2016	
				2013 RM'000	2014 RM'000	2015 RM'000	RM'000	
Foong Kam Weng	Rhone Ma Malaysia	Foong Kam Weng is a director and was a shareholder of Rhone Ma Malaysia.	Disposal of a 3 ½ storey shop office by our Group - Rhone Ma Malaysia	-	3,700	-	-	
Dr. Raymond Choo	Rhone Ma Malaysia	Dr. Raymond Choo is a director and was a shareholder of Rhone Ma Malaysia.	Disposal of a 3 ½ storey shop office by our Group - Rhone Ma Malaysia	3,500	-	-	-	

Save as disclosed below, our Group has not entered into any Recurrent Transactions nor are there any proposed Recurrent Transactions for the past three (3) financial years up to the FYE 31 December 2015, FPE 31 August 2016 and for the subsequent period up to LPD, that are material to our Group and our related parties:

Related party	Company	Nature of relationship at the point of transaction	Nature of transaction	Transaction value for				As at the LPD RM'000
				<----- FYE 31 December ----->			FPE 31 August 2016	
				2013 RM'000	2014 RM'000	2015 RM'000	RM'000	
Asia Citrex Co. Limited ("Asia Citrex")	Rhone Ma Malaysia	Dr. Lim, who is a director and was a shareholder of Rhone Ma Malaysia, was also the director and shareholder of Asia Citrex prior to his resignation as a director of Asia Citrex with effect from 31 December 2014 and disposal of his shareholding in Asia Citrex on 6 January 2015.	Business and marketing exploratory and support services received by our Group - Rhone Ma Malaysia	918	-	-	-	

10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Related party	Company	Nature of relationship at the point of transaction	Nature of transaction	Transaction value for				As at the LPD RM'000
				<----- FYE 31 December ----->	2013	2014	2015	
				RM'000	RM'000	RM'000	RM'000	RM'000
Asia Citrex (Cont'd)		Dr. Yip, who is a director and was a shareholder of Rhone Ma Malaysia, was also the director of Asia Citrex prior to her resignation as a director of Asia Citrex with effect from 31 December 2014.						

Our Directors are of the opinion that the above non-recurrent related party transactions and Recurrent Transactions would not give rise to any conflict of interest situations and were transacted on an arm's length basis and are based on terms which are not unfavourable to our Group.

Upon Listing, our Directors through the Audit and Risk Management Committee, will ensure that any related party transactions and Recurrent Transactions are carried out on an arm's length basis and are not prejudicial to our Group nor on terms more favourable to the related parties than those normally agreed with other customers or suppliers and are also not detrimental to our minority shareholders.

Our Directors and substantial shareholders are also not aware of any transactions that may give rise to conflict of interest situations between our Group and any of our Directors, substantial shareholders, key management and / or persons connected to them.

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10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)**10.2 Interest in Similar Businesses or in Customers or Suppliers of Our Group**

The interests, shareholdings and directorships in other businesses of our Directors and substantial shareholders are disclosed in Section 8.2.3 of this Prospectus. None of our Directors or substantial shareholders are interested, directly or indirectly, in any business or corporations carrying on a similar trade as our Group or which are the customers or suppliers of our Group as at the LPD, save for the following:

(i) Livestock Farmers Corporation Sdn Bhd (“Livestock Farmers”)

Dr. Raymond Choo, our substantial shareholder and a director of all our Subsidiaries, is also a shareholder of Livestock Farmers, a customer of our Group. As at the LPD, Dr. Raymond Choo holds 2.04% shareholdings in Livestock Farmers.

Livestock Farmers is principally engaged in the business of animal feed processing, general trading and investment holdings. Livestock Farmers is not engaged in the similar business as our Group. The purchases by Livestock Farmers from our Group are entirely for its own consumption and the previous business transactions between Livestock Farmers and our Group are as follows.

Nature of transaction	Transaction value for				
	<----- FYE 31 December ----->			FPE 31 August 2016 RM'000	As at the LPD RM'000
	2013 RM'000	2014 RM'000	2015 RM'000		
Sales of animal health products	1,598	1,652	1,700	783	976
Provision of animal health services	4	11	4	11	13
Total	1,602	1,663	1,704	794	989

The total sales to Livestock Farmers only represented approximately 1.91%, 1.82%, 1.60% and 1.02% of the Group's total revenue for the FYE 31 December 2013, FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016, respectively. In addition, Dr. Raymond Choo is not involved in the day-to-day operations of Livestock Farmers and our Group. As such, the shareholding of Dr. Raymond Choo in Livestock Farmers would not give rise to a situation of conflict of interest.

10.3 Transactions that are Unusual in Their Nature or Condition

Save for the non-recurrent related party transactions as disclosed in Section 10.1 of this Prospectus, there were no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we or our Subsidiaries was a party in respect of the past three (3) financial years up to the FYE 31 December 2015 and FPE 31 August 2016 and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

10.4 Loans Made to Related Parties

There were no outstanding loans (including guarantees of any kind) made by our Group to or for the benefit of related parties in respect of the past three (3) financial years up to the FYE 31 December 2015 and FPE 31 August 2016 and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)**10.5 Declaration by Advisers on Conflicts of Interest****10.5.1 PIVB**

PIVB is a wholly-owned subsidiary of Public Bank Berhad (“**PBB**”). PBB has in its ordinary course of business, granted credit facilities to our Group of RM10.10 million. As at the LPD, the outstanding balance of the total credit facilities extended by PBB to our Group is approximately RM1.23 million. Nevertheless, PIVB is of the view that the aforementioned extension of credit facilities does not result in a conflict of interest situation as the outstanding balance of the total credit facilities granted to our Group by PBB, which represents less than 0.01% of the NA of PBB as at 31 December 2015, is considered immaterial.

PIVB hereby confirms that there is no material conflict of interest in its capacity as the Principal Adviser, Sole Underwriter and Sole Placement Agent in respect of our IPO and that the abovementioned relationship with our Group does not give rise to a material conflict of interest situation due to the following reasons:

- (i) PIVB’s role as the Principal Adviser for our IPO has been carried out professionally and objectively in accordance with the relevant terms of the due diligence planning memorandum. The due diligence processes and the verification exercises (which were participated by our Directors and senior management, our Reporting Accountants, our solicitors, PIVB and other relevant advisers) have been duly undertaken and performed in relation to the preparation of relevant documents relating to our IPO;
- (ii) the exposure of the credit facilities to the consolidated shareholders’ funds of PBB is insignificant;
- (iii) none of the proceeds raised from our IPO are allocated for the repayment of bank borrowings by our Group to PBB; and
- (iv) PIVB does not receive or derive any financial interest or benefit from our IPO other than the normal advisory, underwriting commission and placement fees charged.

10.5.2 Messrs. BDO

Messrs. BDO has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants in respect of our IPO.

10.5.3 Messrs. Cheang & Ariff

Messrs. Cheang & Ariff has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Solicitors in respect of our IPO.

10.5.4 Protégé Associates Sdn Bhd

Protégé Associates Sdn Bhd has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher in respect of our IPO.

10.5.5 Henry Butcher Malaysia (SEL) Sdn Bhd

Henry Butcher Malaysia (SEL) Sdn Bhd has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Independent Valuer in respect of our IPO.

10. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

10.5.6 Henry Butcher Malaysia (NS) Sdn Bhd

Henry Butcher Malaysia (NS) Sdn Bhd has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Independent Valuer in respect of our IPO.

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11. HISTORICAL FINANCIAL INFORMATION

Our combined financial information have been compiled based on the basis and accounting policies consistent with those currently adopted by our Group which are set out in the notes and assumptions included in the Accountants' Report as set out in Section 13 of this Prospectus. The financial statements used in the preparation of our combined financial information were prepared in accordance with the Malaysian Financial Reporting Standards. Any adjustments which were dealt with when preparing our combined financial information have been highlighted and disclosed in Section 13 of this Prospectus. There has been no audit qualification on our audited financial statements for the past three (3) financial years up to the FYE 31 December 2015 and FPE 31 August 2016.

11.1 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

11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

Notes:

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

11.2 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

11. HISTORICAL FINANCIAL INFORMATION (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
LIABILITIES			
Non-Current Liabilities			
Borrowings	-	4,117,947	4,117,947
Deferred tax liabilities	-	302,040	302,040
	-	4,419,987	4,419,987
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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11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

11.3 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)

11. HISTORICAL FINANCIAL INFORMATION (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

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11. HISTORICAL FINANCIAL INFORMATION *(Cont'd)*

11.4 Reporting Accountants' Letter on the Compilation of Pro Forma Consolidated Financial Information

(Prepared for inclusion in this Prospectus)



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BDO @ Menara CenTARa
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Malaysia

The Board of Directors
Rhone Ma Holdings Berhad
Lot 18A & 18B, Jalan 241,
Seksyen 51A,
46100 Petaling Jaya,
Selangor Darul Ehsan

Date: 17 October 2016

Our ref: BDO/AO/LCG

Dear Sirs

Rhone Ma Holdings Berhad ("Rhone Ma Holdings" or "the Company") and its subsidiaries ("Rhone Ma Holdings Group" or "the Group")

Report on the Compilation of Pro Forma Consolidated Financial Information included in a Prospectus

We have completed our assurance engagement to report on the compilation of pro forma consolidated financial information of the Group prepared by the Board of Directors of the Company. The pro forma consolidated financial information consists of the pro forma consolidated statement of financial position as at 31 August 2016 and the pro forma consolidated statement of cash flows for the financial period 1 January 2016 to 31 August 2016 together with the accompanying notes thereon, for which we have stamped for purpose of identification only. The pro forma consolidated financial information has been prepared for inclusion in the prospectus of Rhone Ma Holdings in connection with the listing of and quotation for the entire issued and paid-up share capital of Rhone Ma Holdings on the Main Market of Bursa Malaysia Securities Berhad.

The applicable criteria on the basis of which the Board of Directors has compiled the pro forma consolidated financial information are described in Note 1 and are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines").

The pro forma consolidated financial information has been compiled by the Board of Directors for illustrative purposes only, to illustrate the impact of the transactions as set out in Note 1.3 on the Group's financial position as at 31 August 2016 and the Group's cash flows for the financial period 1 January 2016 to 31 August 2016 had the transactions been effected at the commencement of the period reported. As part of this process, information about the financial position and cash flows of the Group has been extracted by the Board of Directors from the financial statements of Rhone Ma Holdings for the financial period ended ("FPE") 31 August 2016 and Rhone Ma Malaysia Sdn. Bhd. ("Rhone Ma Malaysia"), Asia-Pacific Special Nutrients Sdn. Bhd. ("Asia-Pacific Special Nutrients"), Link Ingredients Sdn. Bhd. ("Link Ingredients") and Vet Food Agro Diagnostics (M) Sdn. Bhd. ("Vet Food Agro Diagnostics") for the FPE 31 August 2016, which have been audited.

Directors' Responsibility for the Pro Forma Consolidated Financial Information

The Board of Directors is responsible for compiling the pro forma financial information on the basis as described in Note 1 of the pro forma consolidated financial information.

11. HISTORICAL FINANCIAL INFORMATION (Cont'd)



Reporting Accountants' Responsibility

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the pro forma consolidated financial information has been compiled, in all material respects, by the Board of Directors of the Company on the basis described in Note 1 of the pro forma financial information.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information on the basis set out in Note 1 of the pro forma financial information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated financial information.

The purpose of pro forma consolidated financial information included in a prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at 31 August 2016, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated financial information.

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

11. HISTORICAL FINANCIAL INFORMATION (Cont'd)



Opinion

In our opinion:

- (a) The pro forma consolidated financial information of the Group together with the accompanying notes, which are prepared for illustrative purposes only, have been properly prepared on the basis and assumptions as set out in the notes thereon, and such basis is consistent, in all material respects, with the accounting policies adopted by the Group, unless otherwise stated;
- (b) The audited financial statements used in the preparation of the pro forma consolidated financial information, have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs") and the pro forma consolidated financial information have been properly prepared in a manner consistent with the format of the financial statements to be adopted by the Group; and
- (c) Each material adjustment made to the information used in the preparation of the pro forma consolidated financial information is appropriate, in all material respects, for the purposes of preparing the pro forma consolidated financial information.

Other Matter

This letter has been prepared solely for the purpose stated above, in connection with the listing of and quotation for the entire issued and paid-up share capital of Rhone Ma Holdings on the Main Market of Bursa Malaysia Securities Berhad. As such, this letter should not be used for any other purpose without our prior written consent. Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'BDO', written in a stylized, cursive-like font.

BDO
AF : 0206
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Ooi Thiam Poh', written in a cursive-like font. The signature is positioned above a horizontal line that extends to the left.

Ooi Thiam Poh
2495/01/18 (J)
Chartered Accountant

11. HISTORICAL FINANCIAL INFORMATION (Cont'd)**Rhone Ma Holdings Berhad** (1116225-A)

Lot 18A & 18B, Jalan 241, Seksyen 51A, 46100 Petaling Jaya, Selangor, Malaysia.

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(formerly known as Rhone Ma Holdings Sdn Bhd)

1. PRO FORMA GROUP, BASIS OF PREPARATION AND LISTING SCHEME**1.1 Pro forma group**

The pro forma consolidated financial information of Rhone Ma Holdings Berhad (“Rhone Ma Holdings” or “the Company”) and its subsidiaries, namely Rhone Ma Malaysia Sdn. Bhd. (“Rhone Ma Malaysia”), Asia-Pacific Special Nutrients Sdn. Bhd. (“Asia-Pacific Special Nutrients”), Link Ingredients Sdn. Bhd. (“Link Ingredients”) and Vet Food Agro Diagnostics (M) Sdn. Bhd. (“Vet Food Agro Diagnostics”) (collectively referred to as “Rhone Ma Holdings Group”, “Pro Forma Group” or “the Group”) are prepared for illustrative purposes only.

This Report covers the financial period 1 January 2016 to 31 August 2016 and has been prepared using the audited financial statements of Rhone Ma Holdings, Rhone Ma Malaysia, Asia-Pacific Special Nutrients, Link Ingredients and Vet Food Agro Diagnostics for the financial period ended (“FPE”) 31 August 2016.

1.2 Basis of preparation

The audited financial statements of the Group for the relevant financial periods were not subject to any audit qualification.

The pro forma consolidated financial information of the Group is prepared on the basis consistent with the accounting policies adopted by the Group, in accordance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

The Group is regarded as a continuing entity resulting from the reorganisation exercise because the management of all the entities within the Group, which took part in the reorganisation exercise were under the common control before and immediately after the reorganisation exercise. Reverse acquisition accounting by analogy has been adopted and Rhone Ma Malaysia continues to be identified as the accounting acquirer. Under the reverse acquisition accounting by analogy, the assets and liabilities of the acquirer are recognised and measured in the financial statements at the pre-combination carrying amounts, without restatement to fair values. The retained earnings and other equity balances of the Group immediately before the combination, and the results from the beginning of the accounting period to the date of the combination are those of the accounting acquirer, Rhone Ma Malaysia. The equity structure, however, reflects the equity structure of the legal acquirer, i.e. Rhone Ma Holdings, including the equity instruments issued to effect the combination.

Elimination of intra-group transactions, if any has also been made on the assumption that the Group had been in existence throughout the relevant financial periods/years.

The pro forma consolidated financial information, because of its nature, may not reflect the Group’s actual financial position and cash flows. Further, such information does not predict the Group’s future financial position and cash flows.

The pro forma consolidated financial information of the Group comprises the following:-

- Section 2 – Pro Forma Consolidated Statement of Financial Position as at 31 August 2016, adjusted for the impact of the listing scheme as set out in Note 1.3; and
- Section 3 – Pro Forma Consolidated Statement of Cash Flows for the FPE 31 August 2016, adjusted for the impact of the listing scheme as set out in Note 1.3.

11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

*Rhone Ma Holdings Berhad (Company No. 1116225-A)
Pro Forma Consolidated Financial Information*

1. PRO FORMA GROUP, BASIS OF PREPARATION AND LISTING SCHEME (continued)**1.3 Listing scheme**

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of Rhone Ma Holdings on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing"), the Company and its subsidiaries had undertaken and proposed to undertake the following transactions:

1.3.1 Internal Restructuring

- (i) Acquisition of the remaining shares in Link Ingredients not already owned by Rhone Ma Malaysia for a purchase consideration of RM1,323,746 to be satisfied via cash.
- (ii) Acquisition of the entire equity interest in Vet Food Agro Diagnostics by Rhone Ma Malaysia for a purchase consideration of RM2,332,119 to be satisfied via cash.

The above transactions were completed on 27 September 2016.

1.3.2 Acquisitions

- (i) Acquisition of the entire equity interest in Rhone Ma Malaysia by Rhone Ma Holdings for a purchase consideration of RM61,938,999 to be satisfied by the issuance of 123,877,998 new ordinary shares of RM0.50 each in Rhone Ma Holdings ("Shares") at par value.
- (ii) Acquisition of the entire equity interest in Asia-Pacific Special Nutrients by Rhone Ma Holdings for a purchase consideration of RM1,000,002 to be reflected as amount owing by Rhone Ma Holdings to Rhone Ma Malaysia.
- (iii) Acquisition of the entire equity interest in Link Ingredients by Rhone Ma Holdings for a purchase consideration of RM250,000 to be reflected as amount owing by Rhone Ma Holdings to Rhone Ma Malaysia.
- (iv) Acquisition of the entire equity interest in Vet Food Agro Diagnostics by Rhone Ma Holdings for a purchase consideration of RM30,000 to be reflected as amount owing by Rhone Ma Holdings to Rhone Ma Malaysia.

Transaction (i) was completed on 28 September 2016 and transactions (ii),(iii) and (iv) were completed on 29 September 2016.

1.3.3 Initial Public Offering ("IPO")**(i) Public Issue**

Public issue of 42,122,000 new Shares, representing approximately 25.37% of the enlarged issued and paid-up share capital of Rhone Ma Holdings at an indicative issue price of RM0.75 per Share, to be allocated in the following manner:

- (a) 8,300,000 new Shares available for application by Malaysian citizens, companies, societies, co-operatives and institutions;
- (b) 7,822,000 new Shares available for application by the eligible directors and employees of the Rhone Ma Holdings Group and other persons who have contributed to the success of the Rhone Ma Holdings Group;
- (c) 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
- (d) 9,400,000 new Shares available for application by way of private placement to selected investors.



11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

Rhone Ma Holdings Berhad (Company No. 1116225-A)
Pro Forma Consolidated Financial Information

1. PRO FORMA GROUP, BASIS OF PREPARATION AND LISTING SCHEME (continued)

1.3 Listing scheme (continued)

1.3.3 Initial Public Offering ("IPO") (continued)

(ii) Proposed Listing

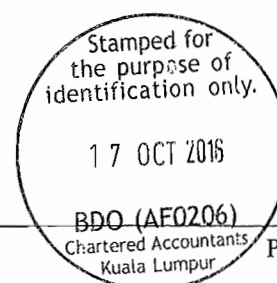
Admission and the listing of and quotation for the entire issued and paid-up share capital of Rhone Ma Holdings of RM83,000,000 comprising 166,000,000 Shares on the Main Market of Bursa Securities will be sought.

1.3.4 Utilisation of Proceeds from Public Issue

The gross proceeds from the Public Issue of RM31,591,500 are expected to be utilised in the following manner:

	RM
Capital expenditure	24,500,000
Working capital	2,091,500
Estimated listing expenses	5,000,000
	31,591,500

* *The estimated listing expenses totaling RM5,000,000 to be borne by Rhone Ma Holdings Group comprise brokerage, underwriting and placement fees, professional fees and miscellaneous expenses. A total of RM1,100,000 is assumed to be directly attributable to the Public Issue and as such will be debited against the share premium account under Section 60 of the Companies Act 1965 in Malaysia and the remaining expenses of RM3,900,000 are assumed to be attributable to the Listing and as such, will be expensed off to the statement of profit or loss and other comprehensive income.*



11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

Rhone Ma Holdings Berhad (Company No. 1116225-A)
Pro Forma Consolidated Financial Information

2. PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016

The pro forma consolidated statement of financial position ("SOPF") of the Group as at 31 August 2016 have been prepared for illustrative purposes only to show the effects on the audited SOPF of Rhone Ma Holdings as at 31 August 2016 based on the assumptions that the listing scheme as set out in Note 1.3 had been effected on 31 August 2016.

	Audited As at 31 August 2016 RM	Adjustments for Internal Restructuring and Acquisitions RM	Pro Forma I After Internal Restructuring and the Acquisitions RM	Adjustments for Public Issue and Utilisation of Proceeds 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	23,422,959	24,500,000	47,922,959
Other investment	-	4,200	4,200	-	4,200
	-	23,427,159	23,427,159	24,500,000	47,927,159
Current assets					
Inventories	-	21,472,078	21,472,078	-	21,472,078
Trade and other receivables	362,877	29,462,107	29,824,984	-	29,824,984
Current tax asset	-	99,476	99,476	-	99,476
Cash and bank balances	4,914	12,888,853	12,893,767	2,091,500	14,985,267
	367,791	63,922,514	64,290,305	2,091,500	66,381,805
TOTAL ASSETS	367,791	87,349,673	87,717,464	26,591,500	114,308,964
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	1	61,938,999	61,939,000	21,061,000	83,000,000
Share premium	-	-	-	9,430,500	9,430,500
Reorganisation debit balance	-	(59,488,997)	(59,488,997)	-	(59,488,997)
(Accumulated losses)/Retained earnings	(595,139)	63,926,459	63,331,320	(3,900,000)	59,431,320
	(595,138)	66,376,461	65,781,323	26,591,500	92,372,823
TOTAL EQUITY	(595,138)	66,376,461	65,781,323	26,591,500	92,372,823

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11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

Rhone Ma Holdings Berhad (Company No. 1116225-A)
Pro Forma Consolidated Financial Information

2. PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016 (continued)

	Audited As at 31 August 2016 RM	Adjustments for Internal Restructuring and Acquisitions RM	Pro Forma I After Internal Restructuring and the Acquisitions RM	Adjustments for Public Issue and Utilisation of Proceeds RM	Pro Forma II After Pro Forma I, Public Issue and Utilisation of Proceeds RM
LIABILITIES					
Non-current liabilities					
Borrowings	-	4,117,947	4,117,947	-	4,117,947
Deferred tax liabilities	-	302,040	302,040	-	302,040
	-	4,419,987	4,419,987	-	4,419,987
Current liabilities					
Trade and other payables					
Borrowings	962,929	13,063,601	14,026,530	-	14,026,530
Current tax liabilities	-	2,017,674	2,017,674	-	2,017,674
	-	1,471,950	1,471,950	-	1,471,950
	962,929	16,553,225	17,516,154	-	17,516,154
TOTAL LIABILITIES	962,929	20,973,212	21,936,141	-	21,936,141
TOTAL EQUITY AND LIABILITIES	367,791	87,349,673	87,717,464	26,591,500	114,308,964
Net (liability)/assets	(595,138)		65,781,323		92,372,823
Number of ordinary shares assumed in issue	2		123,878,000		166,000,000
Net (liability)/assets attributable to equity holders per ordinary share (RM)	(297,569)		0.53		0.56

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11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

Rhone Ma Holdings Berhad (Company No. 1116225-A)
Pro Forma Consolidated Financial Information

2. PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016 (continued)**2.1 PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION****2.1.1 PRO FORMA I**

Pro Forma I is stated after the incorporation of the Internal Restructuring and the Acquisitions as disclosed in Notes 1.3.1 and 1.3.2.

As disclosed in Note 1.2, the acquisition of Rhone Ma Malaysia is a business combination under common control therefore reverse acquisition accounting by analogy has been adopted and Rhone Ma Malaysia continues to be identified as the accounting acquirer.

Under the reverse acquisition accounting by analogy, the retained earnings and other equity balances of the Group immediately before the combination, and the results from the beginning of the accounting period to the date of the combination are those of Rhone Ma Malaysia. The equity structure, however, reflects the equity structure of Rhone Ma Holdings, including the equity instruments issued to effect the combination which resulted in a reorganisation debit balance as disclosed below:

	RM
New Shares issued by Rhone Ma Holdings to acquire Rhone Ma Malaysia	61,938,999
Reversal of issued and paid-up share capital of Rhone Ma Malaysia pursuant to the reorganisation	<u>(2,450,002)</u>
Reorganisation debit balance	<u><u>59,488,997</u></u>

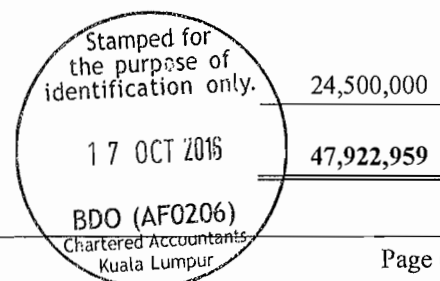
2.1.2 PRO FORMA II

Pro forma II is stated after Pro Forma I and after the completion of the public issue and utilisation of proceeds as disclosed in Notes 1.3.3 and 1.3.4.

2.2 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**2.2.1 PROPERTY, PLANT AND EQUIPMENT**

The movements of property, plant and equipment are as follows:

	RM
As at 31 August 2016	-
Acquisitions	<u>23,422,959</u>
Pro Forma I	23,422,959
Proposed utilisation of proceeds - Capital expenditure	<u>24,500,000</u>
Pro Forma II	<u><u>47,922,959</u></u>



11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

Rhone Ma Holdings Berhad (Company No. 1116225-A)
Pro Forma Consolidated Financial Information

2. PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016 (continued)

2.2 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

2.2.2 CASH AND BANK BALANCES

(a) The movements of cash and bank balances are as follows:

	RM
As at 31 August 2016	4,914
Acquisitions	12,888,853
Pro Forma I	12,893,767
Public Issue	31,591,500
Proposed utilisation of proceeds	
- Capital expenditure	(24,500,000)
- Estimated listing expenses	(5,000,000)
Pro Forma II	<u>14,985,267</u>

(b) For the purpose of the pro forma consolidated statements of cash flows for the FPE 31 August 2016, cash and cash equivalents comprise the following as at the end of the reporting period:

	RM
Cash and bank balances	13,775,267
Deposit with licensed banks	1,210,000
	<u>14,985,267</u>

2.2.3 SHARE CAPITAL AND RESERVES

(a) The movements in the share capital and reserves are as follows:

	Share capital RM	Share premium RM	Reorganisation debit balance RM	Retained earnings RM	Total RM
As at 31 August 2016	1	-	-	(595,139)	(595,138)
Acquisitions	61,938,999	-	(59,488,997)	63,926,459	66,376,461
Pro Forma I	61,939,000	-	(59,488,997)	63,331,320	65,781,323
Public Issue	21,061,000	10,530,500	-	-	31,591,500
Less: Listing expenses	-	(1,100,000)	-	(3,900,000)	(5,000,000)
Pro forma II	<u>83,000,000</u>	<u>9,430,500</u>	<u>(59,488,997)</u>	<u>59,431,320</u>	<u>92,372,823</u>

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11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

Rhone Ma Holdings Berhad (Company No. 1116225-A)
Pro Forma Consolidated Financial Information

2. **PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016 (continued)**
- 2.2 **NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**
- 2.2.3 **SHARE CAPITAL AND RESERVES (continued)**

(b) The share premium is in respect of the proceeds in excess of the nominal value of shares issued pursuant to Public Issue after deducting the listing expenses as disclosed in Note 1.3.4.

3. **PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 31 AUGUST 2016**

The pro forma consolidated statement of cash flow for the FPE 31 August 2016 has been prepared on the assumption that the Group had been in existence throughout the FPE 31 August 2016, adjusted for the effects of the listing scheme as disclosed in Note 1.3.

	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)



11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

Rhone Ma Holdings Berhad (Company No. 1116225-A)
Pro Forma Consolidated Financial Information

3. PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 31 AUGUST 2016 (continued)

	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

3.1 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS**3.1.1 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

The movements of purchase of property, plant and equipment are as follows:

	RM
As at 31 August 2016	-
Acquisitions	696,016
Pro Forma I	696,016
Proposed utilisation of proceeds - Capital expenditure	24,500,000
Pro Forma II	25,196,016

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11. HISTORICAL FINANCIAL INFORMATION (Cont'd)

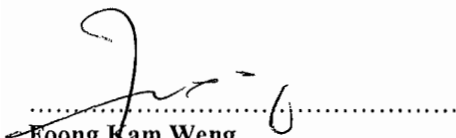
Rhone Ma Holdings Berhad (Company No. 1116225-A)
Pro Forma Consolidated Financial Information

APPROVAL BY THE BOARD OF DIRECTORS

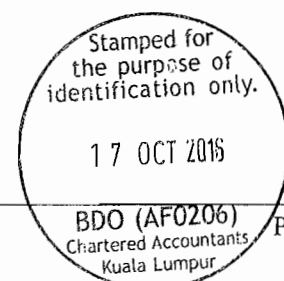
Approved and adopted by the Board of Directors in accordance with a resolution dated 17 October 2016.



.....
Lim Ban Keong
DIRECTOR



.....
Foong Kam Weng
DIRECTOR



12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

The following discussion and analysis of our Group's financial condition and results of operations should be read in conjunction with our Group's combined financial information and its accompanying notes included in Section 13 of this Prospectus and the Pro Forma Consolidated Financial Information as set out in Section 11 of this Prospectus, where relevant.

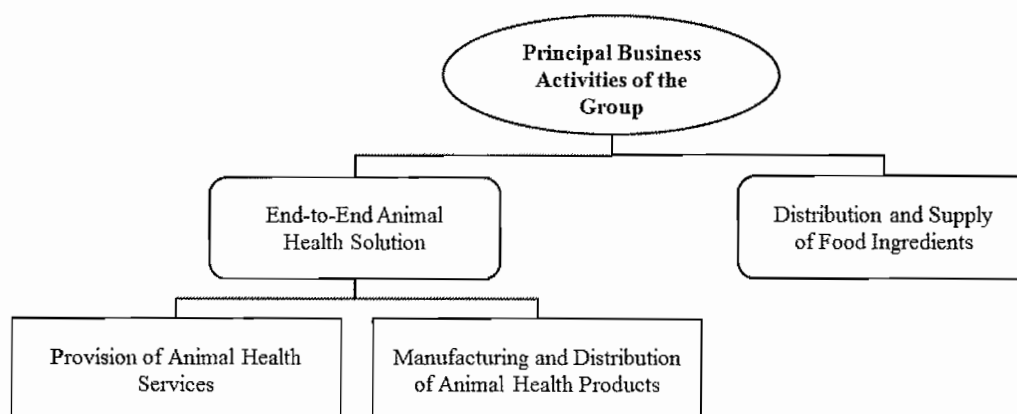
This management's discussion and analysis contains forward-looking statements that involve risks and uncertainties. The actual results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to those discussed below and in particular the risk factors as set out in Section 4 of this Prospectus.

The financial analysis, commentaries and combined financial information in respect of our Group's financial performance are presented as if the Group has operated as a single economic entity throughout the financial years under review. Rhone Ma Holdings was only incorporated on 4 November 2014 and as such, the commentary on the past three (3) financial years up to the FYE 31 December 2015 and FPE 31 August 2016 mainly refers to the past performance of our Subsidiaries.

12.1 Overview of Our Business Activities

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 comprising the provision of animal health services and the manufacturing and distribution of animal health products. The animal health services provided by our Group include technical services comprising veterinary advisory and consultation services, diagnostic laboratory analyses and R&D services. In addition, we are also involved in the distribution and supply of food ingredients.

The business activities of our Group are depicted in the diagram below:



Our revenue is derived mainly from the provision of end-to-end animal health solution comprising the provision of animal health services and the manufacturing and distribution of animal health products. For the FPE 31 August 2016, our animal health services accounted for approximately 1.60% and 2.49% of our Group's total revenue and total GP respectively whereas our animal health products accounted for approximately 76.82% and 90.34% of our Group's total revenue and total GP respectively.

In addition, distribution and supply of food ingredients accounted for approximately 21.58% of our Group's total revenue and 7.17% of our Group's total GP for the FPE 31 August 2016.

Our Group's business generally is not affected by seasonal factors.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2 Results of Operations

Our Group's results of operations are categorised based on the following segments:

- (i) companies within our Group based on the combined financial information of our Group for the past three (3) financial years up to the FYE 31 December 2015 and FPE 31 August 2016;
- (ii) services / products which are categorised based on animal health services (inclusive of technical services and R&D services), animal health products (inclusive of vaccines, pharmaceuticals and feed additives) and food ingredients; and
- (iii) geographical location which is categorised based on Malaysia and overseas countries such as Brunei, France, Indonesia, the Philippines, Singapore, Thailand and Vietnam.

12.2.1 Revenue

The segmental analysis of our Group's revenue for the financial years / periods under review is as follows:

12.2.1.1 Companies

The details of revenue generated from the companies within our Group are set out in the table below:

Revenue	FYE 31 December						FPE 31 August			
	2013		2014		2015		2015		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%
Rhone Ma Holdings	-	-	-	-	-	-	-	-	-	-
Rhone Ma Malaysia	65,813,593	78.62	61,485,709	67.18	60,472,498	56.66	38,195,567	56.43	42,651,824	54.70
Asia-Pacific Special Nutrients	8,669,417	10.35	22,810,520	24.92	30,044,396	28.15	18,622,437	27.51	23,004,642	29.50
Link Ingredients	16,020,057	19.14	20,610,033	22.52	22,147,990	20.75	14,693,110	21.71	17,089,133	21.92
Vet Food Agro Diagnostics	1,924,267	2.30	2,147,936	2.34	2,619,789	2.45	1,811,795	2.68	1,845,121	2.37
	92,427,334	110.41	107,054,198	116.96	115,284,673	108.01	73,322,909	108.33	84,590,720	108.49
Less: Consolidation adjustments [#]	(8,711,907)	(10.41)	(15,525,363)	(16.96)	(8,548,837)	(8.01)	(5,639,597)	(8.33)	(6,621,932)	(8.49)
Total	83,715,427	100.00	91,528,835	100.00	106,735,836	100.00	67,683,312	100.00	77,968,788	100.00

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Note:

Being elimination of inter-company transactions.

Rhone Ma Holdings was incorporated on 4 November 2014 and is predominantly an investment holding company. Rhone Ma Holdings did not generate any revenue for the financial years / periods under review.

Rhone Ma Malaysia is involved in the marketing, trading, distribution and manufacturing of animal health products and the provision of veterinary advisory services. Revenue generated by Rhone Ma Malaysia is solely derived from the marketing, trading, distribution and manufacturing of animal health products whereas the provision of veterinary advisory services is part of our end-to-end animal health solution services. Rhone Ma Malaysia is the major contributor to our Group's revenue for all the financial years / periods under review with contribution of more than 54.00% of our Group's revenue.

Asia-Pacific Special Nutrients is involved in undertaking R&D activities related to animal health, food safety and agriculture and trading in animal health products. Revenue generated by Asia-Pacific Special Nutrients mainly consists of fees charged to Rhone Ma Malaysia for IP rights comprising trademarks and patents registered by Asia-Pacific Special Nutrients, project fees for R&D activities and charges for contract manufacturing activities as well as income from trading in animal health products. The R&D and contract manufacturing activities are predominantly provided to Rhone Ma Malaysia.

Link Ingredients is involved in the distribution and supply of food ingredients.

Vet Food Agro Diagnostics is involved in the provision of diagnostic laboratory analyses and consultation services to the veterinary, agriculture and food industries. The customers of Vet Food Agro Diagnostics include Rhone Ma Malaysia and third parties.

Revenue generated from inter-company transactions will be eliminated for consolidation purpose.

12.2.1.2 Services / Products

The details of revenue generated from our services / products are set out in the table below:

Revenue	FYE 31 December						FPE 31 August			
	2013		2014		2015		2015		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%
Animal health services	1,379,358	1.65	1,592,165	1.74	1,899,096	1.78	1,332,655	1.97	1,250,632	1.60
Animal health products	66,316,012	79.21	69,326,637	75.74	82,815,418	77.59	51,761,442	76.48	59,891,340	76.82
Food ingredients	16,020,057	19.14	20,610,033	22.52	22,021,322	20.63	14,589,215	21.55	16,826,816	21.58
Total	83,715,427	100.00	91,528,835	100.00	106,735,836	100.00	67,683,312	100.00	77,968,788	100.00

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Animal health services

Our animal health services comprising technical services and R&D services which serve to assist our customers in achieving higher efficiency and improved farm management. It is also one of the key components of our TSP programme. Our technical services include veterinary advisory and consultation services as well as diagnostic laboratory analyses which are provided to the veterinary, agriculture and food industries.

Animal health products

The details of the revenue generated from animal health products are set out below:

Revenue	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%	RM	%
Vaccines	33,156,837	50.00	32,162,290	46.39	38,853,754	46.92	23,698,155	45.78	26,911,763	44.93		
Pharmaceuticals	17,879,719	26.96	20,889,680	30.13	21,168,091	25.56	14,162,338	27.36	14,535,852	24.27		
Feed additives	15,279,456	23.04	16,274,667	23.48	22,793,573	27.52	13,900,949	26.86	18,443,725	30.80		
Total	66,316,012	100.00	69,326,637	100.00	82,815,418	100.00	51,761,442	100.00	59,891,340	100.00		
Number of new products	24		8		11		8		12			
Number of new customers	35		49		66		61		45			

Products*	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	No.	RM	No.	RM	No.	%	No.	RM	No.	%	No.	RM
New	24	353,547	8	73,106	11	0.11	1,696,705	2.05	12	2.68	172,934	0.29
Existing	309	65,962,465	350	69,253,531	310	99.89	81,118,713	97.95	294	97.32	59,718,406	99.71
Total	333	66,316,012	358	69,326,637	321	100.00	82,815,418	100.00	306	100.00	59,891,340	100.00

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Products*	FYE 31 December						FPE 31 August								
	2013			2014			2015			2016					
	No.	RM	%	No.	RM	%	No.	RM	%	No.	RM	%			
Third party:															
- New	16	129,662	0.20	7	64,819	0.10	8	1,634,987	1.97	5	1,179,247	2.28	11	172,162	0.29
- Existing	300	60,707,812	91.54	332	62,942,903	90.79	291	71,515,841	86.36	287	44,562,039	86.09	272	50,203,451	83.82
Sub-total	316	60,837,474	91.74	339	63,007,722	90.89	299	73,150,828	88.33	292	45,741,286	88.37	283	50,375,613	84.11
In-house:															
- New	8	223,885	0.34	1	8,287	0.01	3	61,718	0.07	3	209,774	0.40	1	772	#
- Existing	9	5,254,653	7.92	18	6,310,628	9.10	19	9,602,872	11.60	19	5,810,382	11.23	22	9,514,955	15.89
Sub-total	17	5,478,538	8.26	19	6,318,915	9.11	22	9,664,590	11.67	22	6,020,156	11.63	23	9,515,727	15.89
Total	333	66,316,012	100.00	358	69,326,637	100.00	321	82,815,418	100.00	314	51,761,442	100.00	306	59,891,340	100.00

Notes:

* The number of products disclosed pertains to actual number of products sold by our Group for the respective financial years / periods.

Negligible.

Customers*	FYE 31 December						FPE 31 August								
	2013			2014			2015			2016					
	No.	RM	%	No.	RM	%	No.	RM	%	No.	RM	%			
New	35	807,695	1.22	49	1,919,563	2.77	66	2,032,226	2.45	61	1,083,631	2.09	45	430,953	0.72
Existing	458	65,508,317	98.78	470	67,407,074	97.23	491	80,783,192	97.55	490	50,677,811	97.91	510	59,460,387	99.28
Total	493	66,316,012	100.00	519	69,326,637	100.00	557	82,815,418	100.00	551	51,761,442	100.00	555	59,891,340	100.00

Note:

* The number of customers disclosed pertains to actual number of customers that had dealings with our Group for the respective financial years / periods.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Sale of animal health products is our main source of revenue, contributing between 75.74% and 79.21% of our Group's total revenue for the past three (3) financial years up to the FYE 31 December 2015 and FPE 31 August 2016. The animal health products provided by our Group comprising vaccines, pharmaceuticals and feed additives are mainly sourced from international animal health product manufacturers with brands such as Merial, Special Nutrients, Premex, Joosten Products, Multifeed International and Berg & Schmidt. Our Group also provides animal health products with our own brand names which are manufactured at our GMP-compliant plant.

The growth in the revenue from animal health products from approximately RM66.32 million for the FYE 31 December 2013 to RM82.82 million for the FYE 31 December 2015 was due predominantly to our Group's marketing strategies to create awareness for our products and services. Some of the strategies implemented by our Group over the years are as follows:

- marketing of TSP programme which allow us to customise the offering of our products and services based on the requirements of each customer;
- introduction of various promotion plans to our key customers as an incentive to purchase our products in bulk;
- participation in road shows and exhibitions to promote greater brand awareness of our products and services;
- having thirteen (13) veterinarians employed on a full-time basis who collaborate with our sales and marketing teams to conduct farm visits and provide technical advice to our customers; and
- introduction of new products and increased number of products sold to our customers.

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.

In addition, more than 75.00% of our revenue from the animal health products for the past three (3) financial years up to the FYE 31 December 2015 and FPE 31 August 2016 is derived from the livestock industry whereas the remaining of our revenue from the animal health products is derived from companion animal segment which mainly comprises veterinary clinics and pet shops. As such, the sale of our animal health products is directly dependent on the performance of the livestock industry in Malaysia. As disclosed in Section 7 of this Prospectus, the production value of the livestock industry in Malaysia grown at a CAGR of 9.9% between 2009 and 2015. The production value of livestock in Malaysia between 2012 and 2015 is as follows:

	Year			
	2012	2013	2014	2015
	RM billion	RM billion	RM billion	RM billion
Production value	13.45	14.78	16.77	18.24

(Source: Department of Veterinary Services, Federation of Livestock Farmers' Association of Malaysia and Protégé Associates Sdn Bhd)

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Food ingredients

Food ingredients comprise the distribution and supply of food ingredients such as starch sweetener, bulking agent and others.

The details of the revenue generated from food ingredients are set out below:

Revenue	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%	RM	%
Food ingredients	16,020,057	100.00	20,610,033	100.00	22,021,322	100.00	14,589,215	100.00	16,826,816	100.00	16,826,816	100.00
Number of new products	-		-		8		6		-		-	
Number of new customers	14		9		16		15		9		9	

Products*	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	No.	RM	No.	RM	No.	%	No.	RM	No.	RM	No.	%
New	-	-	-	-	8	9.14	2,012,276	1,393,718	6	1,393,718	-	-
Existing	29	16,020,057	30	20,610,033	27	100.00	20,009,046	13,195,497	26	13,195,497	32	100.00
Total	29	16,020,057	30	20,610,033	35	100.00	22,021,322	14,589,215	32	14,589,215	32	100.00

Note:

* The number of products disclosed pertains to actual number of products sold by our Group for the respective financial years / periods.

Customers*	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	No.	RM	No.	RM	No.	%	No.	RM	No.	RM	No.	%
New	14	982,046	9	569,810	16	2.76	2,658,774	1,791,180	15	1,791,180	9	2.27
Existing	39	15,038,011	42	20,040,223	43	97.24	19,362,548	12,798,035	39	12,798,035	52	97.73
Total	53	16,020,057	51	20,610,033	59	100.00	22,021,322	14,589,215	54	14,589,215	61	100.00

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Note:

* The number of customers disclosed pertains to actual number of customers that had dealings with our Group for the respective financial years / periods.

12.2.1.3 Geographical Location

The details of revenue generated by geographical location are set out in the table below:

Revenue	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%	RM	%
Local	83,330,482	99.54	90,016,774	98.35	105,242,202	98.60	66,605,726	98.41	76,087,947	97.59		
Overseas	-	-	476,662	0.52	525,930	0.49	365,406	0.54	384,221	0.49		
- Brunei	-	-	58,261	0.07	29,346	0.03	26,448	0.04	17,328	0.02		
- France	63,705	0.08	44,000	0.05	70,400	0.07	70,400	0.10	358,867	0.46		
- Indonesia	-	-	318,781	0.35	101,447	0.09	101,447	0.15	515,944	0.66		
- Philippines	-	-	305,581	0.33	459,659	0.43	313,490	0.46	363,374	0.47		
- Singapore	321,240	0.38	278,344	0.30	220,920	0.21	173,876	0.26	241,107	0.31		
- Thailand	-	-	30,432	0.03	85,932	0.08	26,519	0.04	-	-		
- Vietnam	-	-	1,512,061	1.65	1,493,634	1.40	1,077,586	1.59	1,880,841	2.41		
Sub-total	384,945	0.46	91,528,835	100.00	106,735,836	100.00	67,683,312	100.00	77,968,788	100.00		
Total	83,715,427	100.00										

Our Group's revenue is predominantly generated from Malaysia which accounted for more than 97.00% of our total revenue over the financial years / periods under review.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.1.4 Commentaries on Revenue**(i) FYE 31 December 2013 compared to FYE 31 December 2012**

- (a) Revenue from Rhone Ma Malaysia increased by approximately 8.42% or RM5.11 million as compared to the FYE 31 December 2012 due mainly to the increase in sales of vaccines and pharmaceuticals. However, the percentage of revenue contribution from Rhone Ma Malaysia to our Group had decreased as a result of the progressive transfer of the sales of feed additives by Rhone Ma Malaysia to Asia-Pacific Special Nutrients (“**Business Transfer**”) since March 2013 in order to build brand equity and create brand awareness for Asia-Pacific Special Nutrients as majority of our in-house manufactured products are under the brand name of Asia-Pacific Special Nutrients. Accordingly, all new customers and orders from existing customers for the feed additives segment were progressively referred to Asia-Pacific Special Nutrients during the FYE 31 December 2013. No cost was incurred for the Business Transfer and it does not involve the transfer of any IP rights.
- (b) Revenue generated by Asia-Pacific Special Nutrients had increased by approximately 30.54% or RM2.03 million as compared to the FYE 31 December 2012 due mainly to the Business Transfer whilst revenue generated from fees charged for IP rights, contract manufacturing activities and project fees for R&D had remained relatively constant.
- (c) The increase in revenue generated by our Group were predominantly driven by the increase in revenue generated from the sale of animal health products which recorded a growth of approximately 9.29% or RM5.64 million as compared to the FYE 31 December 2012. This was due mainly to the following:
- increase in revenue generated from feed additives by approximately 16.96% or RM2.22 million as a result of an increase in the sale of Cocci-Guard of approximately RM0.52 million and products developed by our Group, namely Rhonamox and Nystatin FG of approximately RM0.81 million and RM0.38 million respectively;
 - introduction of new Sow Care products under our own brand names had contributed approximately RM0.23 million to revenue from feed additives;
 - increase in revenue generated from vaccines of approximately RM1.74 million, contributed by the increase in the sale of Avinew products of approximately RM0.70 million, Gallivac products of approximately RM0.58 million and Purevax products of approximately RM0.21 million driven by the growth in the livestock industry as summarised in Section 12.2.1.2 above; and

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

- increase in revenue from pharmaceuticals by approximately 10.39% or RM1.68 million as a result of an increase in the sale of products for companion animals, namely Heartgard products for dogs and Frontline products for cats and dogs of approximately RM0.68 million and RM0.54 million, respectively amidst the addition of twenty (20) new customers for the companion animal segment.
- (d) Revenue generated from animal health services were predominantly derived from Vet Food Agro Diagnostics and had remained relatively constant. On the other hand, animal health services provided by Asia-Pacific Special Nutrients were predominantly to Rhone Ma Malaysia while revenue generated from third party was minimal and had remained relatively constant.
- (e) Revenue generated by Link Ingredients increased by approximately 38.19% or RM4.43 million as compared to the FYE 31 December 2012 due mainly to the following:
 - increase in sales to two (2) of our customers by approximately RM1.56 million and RM1.30 million respectively for the FYE 31 December 2013; and
 - the number of customers increased to fifty three (53) customers as at 31 December 2013 as compared to forty seven (47) customers as at 31 December 2012 where total revenue contributed by the new customers amounted to approximately RM0.98 million of revenue generated by Link Ingredients for the FYE 31 December 2013.
- (f) Our Group's revenue is predominantly generated from Malaysia which accounted for approximately 99.54% of our total revenue. Revenue from overseas mainly related to the export of animal health products to Singapore and provision of diagnostic laboratory services to one of our customers in France.

(ii) FYE 31 December 2014 compared to FYE 31 December 2013

- (a) Revenue from Rhone Ma Malaysia had decreased by approximately 6.58% or RM4.32 million as compared to the FYE 31 December 2013. This was due mainly to the decrease in the sales of feed additives by approximately 43.53% or RM6.45 million as compared to the FYE 31 December 2013 as a result of the Business Transfer. The sales generated from the feed additives for the FYE 31 December 2014 consist predominantly the sale of remaining feed additives held in stock by Rhone Ma Malaysia to Asia-Pacific Special Nutrients, which would be eliminated for consolidation purposes.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- (b) Revenue generated by Asia-Pacific Special Nutrients had increased by approximately 163.11% or RM14.14 million as compared to the FYE 31 December 2013. This was due mainly to the increase in sales of feed additives as a result of the Business Transfer. However, the increase in sale of feed additives was mitigated by a slight decrease in fees charged to Rhone Ma Malaysia as project fees for R&D of approximately RM0.09 million whilst fees charged for contract manufacturing activities had remained relatively constant as compared to the FYE 31 December 2013.
- (c) The sale of animal health products recorded a growth of approximately 4.54% or RM3.01 million as compared to the FYE 31 December 2013. The increase in revenue generated from the sale of pharmaceuticals by Rhone Ma Malaysia and feed additives by Asia-Pacific Special Nutrients were due to the following:
- increase in revenue from pharmaceuticals of approximately 16.83% or RM3.01 million for the FYE 31 December 2014 as compared to the previous financial year, which was mainly contributed by the increase in the sale of Frontline products and Heartgard products for companion animals of approximately RM0.63 million and RM0.35 million, respectively as a result of an increase in total quantity sold amidst the addition of twenty one (21) new customers for the companion animals segment; and
 - increase in revenue generated from Nystatin FG under the category of feed additives of approximately RM1.05 million.
- (d) However, the increase in revenue from animal health products was mitigated by a decrease in sale of vaccines of approximately 3.00% or RM0.99 million due mainly to a switch of supplier by one (1) of our key customers for their vaccines for poultry.
- (e) Revenue generated from animal health services were predominantly derived from Vet Food Agro Diagnostics and had remained relatively constant. On the other hand, animal health services provided by Asia-Pacific Special Nutrients were predominantly to Rhone Ma Malaysia while revenue generated from third party was minimal and had remained relatively constant.
- (f) Revenue generated by Link Ingredients increased by approximately 28.65% or RM4.59 million as compared to the FYE 31 December 2013 due mainly to the following:
- increase in sales to a major customer of approximately RM3.07 million as compared to the previous financial year; and

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

- overall increase in demand by other customers and increase in sales to new customers which amounted to approximately RM0.57 million.

(g) Our Group's revenue is predominantly generated from Malaysia which accounted for approximately 98.35% of our total revenue. Percentage of revenue contributed from overseas had increased as compared to the FYE 31 December 2013 due mainly to greater awareness of our products and services as a result of our participation in conventions and conference held in foreign countries and our regional expansion efforts. The revenue generated from overseas predominantly comprised export of animal health products.

(iii) FYE 31 December 2015 compared to FYE 31 December 2014

(a) Revenue from Rhone Ma Malaysia had decreased by approximately 1.65% or RM1.01 million as compared to the FYE 31 December 2014. This was due mainly to decrease in the sales of feed additives by approximately 88.41% or RM7.40 million as a result of the Business Transfer. The sales generated from the feed additives by Rhone Ma Malaysia for the FYE 31 December 2015 consisted solely of sale of certain feed additives to Asia-Pacific Special Nutrients which were imported by Rhone Ma Malaysia. Such revenue generated by Rhone Ma Malaysia from Asia-Pacific Special Nutrients will be eliminated for consolidation purposes.

(b) Revenue generated by Asia-Pacific Special Nutrients had increased by approximately 31.71% or RM7.23 million as compared to the FYE 31 December 2014. This was due mainly to the increase in sales of feed additives by approximately 45.15% or RM7.31 million. The increase in fees charged to Rhone Ma Malaysia for contract manufacturing by approximately 23.13% or RM0.30 million as compared to the FYE 31 December 2014 had also contributed to the increase in revenue.

The increase in sales of feed additives and fees charged for contract manufacturing was mitigated by a decrease in fees charged to Rhone Ma Malaysia for IP rights of approximately 13.51% or RM0.60 million as a result of lower renewal fees for fifteen (15) IP which had exceeded five (5) years. Revenue generated from project fees for R&D had remained relatively constant.

(c) The sale of animal health products recorded a growth of approximately 19.46% or RM13.49 million as compared to the FYE 31 December 2014. The increase was due to the following:

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

- increase in revenue generated from vaccines of approximately 20.81% or RM6.69 million, contributed from the increase in the sale of Circovac of approximately RM1.51 million, Gallimune products of approximately RM1.33 million, Gallivac products of approximately RM0.82 million, Purevax products of approximately RM0.70 million, Cryomarex products of approximately RM0.65 million, Avinew products of approximately RM0.47 million and Vaxxitek of approximately RM0.45 million;
 - increase in revenue generated from feed additives by approximately 40.06% or RM6.52 million as a result of an increase in the sale of Myco-AD products of approximately RM1.53 million, Cocci-Guard of approximately RM0.55 million, Bergafat products of approximately RM0.46 million, Purimox products of approximately RM0.43 million and products developed by our Group, namely Sow Care products, Nystatin FG and Coyden products of approximately RM0.99 million, RM0.77 million and RM0.47 million respectively;
 - increase in revenue generated from pharmaceuticals by approximately 1.33% or RM0.28 million as a result of an increase in the sale of pharmaceutical products for companion animals amidst the addition of thirty one (31) new customers for the companion animals segment.
- (d) Revenue generated from animal health services were predominantly derived from Vet Food Agro Diagnostics. The increase in revenue generated from animal health services was due mainly to an increase in the number of customers of Vet Food Agro Diagnostics from ninety three (93) customers as at 31 December 2014 to 114 customers as at 31 December 2015 and increased demand for the diagnostic test services. On the other hand, animal health services provided by Asia-Pacific Special Nutrients were predominantly to Rhone Ma Malaysia while revenue generated from third party was minimal and had remained relatively constant.
- (e) Revenue generated by Link Ingredients increased by approximately 7.46% or RM1.54 million as compared to the FYE 31 December 2014 due mainly to the following:
- increase in the number of customers of Link Ingredients from fifty one (51) customers as at 31 December 2014 to fifty nine (59) customers as at 31 December 2015; and

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (*Cont'd*)

- increase in demand from new customers which amounted to approximately RM2.66 million. This was mitigated by a decrease in sales to two (2) major customers by approximately RM0.84 million and RM0.25 million, respectively as compared to the previous financial year.
- (f) Our Group's revenue is predominantly generated from Malaysia which accounted for approximately 98.60% of our total revenue. Percentage of revenue contributed from overseas had decreased marginally as compared to the FYE 31 December 2014 due mainly to lower demand from the Philippines and Thailand.
- (iii) FPE 31 August 2016 compared to FPE 31 August 2015**
- (a) Revenue from Rhone Ma Malaysia had increased by approximately 11.67% or RM4.46 million as compared to the FPE 31 August 2015. This was due mainly to the increase in the sales of vaccines by approximately 13.56% or RM3.21 million and pharmaceuticals by approximately 2.64% or RM0.37 million. The increase was further contributed by an increase in the sales of certain feed additives imported by Rhone Ma Malaysia to Asia-Pacific Special Nutrients of approximately 101.63% or RM0.78 million. Such revenue generated by Rhone Ma Malaysia from Asia-Pacific Special Nutrients will be eliminated for consolidation purposes.
- (b) Revenue generated by Asia-Pacific Special Nutrients had increased by approximately 23.53% or RM4.38 million as compared to the FPE 31 August 2015. This was due mainly to the increase in the sales of feed additives by approximately 30.26% or RM4.39 million. The increase in fees charged to Rhone Ma Malaysia for contract manufacturing of approximately 15.91% or RM0.17 million as compared to the FPE 31 August 2015 had also contributed to the increase in revenue. However, the increase was mitigated by a decrease in revenue generated from project fees for R&D of approximately 45.19% or RM0.27 million as compared to the FPE 31 August 2015.
- (c) The sale of animal health products recorded a growth of approximately 15.71% or RM8.13 million as compared to the FPE 31 August 2015. The increase was due to the following:
- increase in revenue generated from vaccines of approximately 13.56% or RM3.21 million, mainly contributed by the increase in the sale of Purevax products of approximately RM1.10 million, Aftopor Trivalent of approximately RM0.73 million, Circovac of approximately RM0.58 million, Bigopest of approximately RM0.33 million, Avinew products of approximately RM0.30 million and Recombitek products of approximately RM0.29 million;

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- increase in revenue generated from feed additives by approximately 32.68% or RM4.54 million as a result of an increase in the sale of Nystatin FG which was developed by our Group of approximately RM3.35 million, Myco-AD products of approximately RM0.68 million and FMR Omega 3 of approximately RM0.39 million; and
 - increase in revenue generated from pharmaceuticals by approximately 2.64% or RM0.37 million which was mainly contributed by an increase in the sale of Bioclean products of approximately RM0.41 million.
- (d) Revenue generated from animal health services were predominantly derived from Vet Food Agro Diagnostics and had remained relatively constant. On the other hand, animal health services provided by Asia-Pacific Special Nutrients were predominantly to Rhone Ma Malaysia while revenue generated from third party was minimal and had remained relatively constant.
- (e) Revenue generated by Link Ingredients increased by approximately 16.31% or RM2.40 million as compared to the FPE 31 August 2015 due mainly to the following:
- increase in the number of customers of Link Ingredients from fifty four (54) customers as at 31 August 2015 to sixty one (61) customers as at 31 August 2016;
 - increase in demand from new customers of approximately RM0.38 million; and
 - increase in sales to two (2) regular customers by approximately RM0.44 million and RM0.26 million, respectively as compared to the previous financial period.
- (f) Our Group's revenue is predominantly generated from Malaysia which accounted for approximately 97.59% of our total revenue. Percentage of revenue contributed from overseas had increased marginally as compared to the FPE 31 August 2015 due mainly to higher demand from Indonesia and the Philippines. Revenue from overseas mainly comprised export of animal health products.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.2 Cost of Sales

Our cost of sales analysis for the financial years / periods under review is as follows:

12.2.2.1 Companies

The details of cost of sales of the companies within our Group are set out in the table below:

Cost of sales	FYE 31 December						FPE 31 August			
	2013		2014		2015		2015		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%
Rhone Ma Holdings	-	-	-	-	-	-	-	-	-	-
Rhone Ma Malaysia	45,644,154	84.87	42,576,020	72.37	41,799,352	57.33	25,601,106	55.96	29,422,615	55.30
Asia-Pacific Special Nutrients	1,941,173	3.61	12,682,013	21.56	19,239,442	26.39	12,029,797	26.30	14,618,040	27.48
Link Ingredients	13,598,205	25.29	17,928,198	30.48	19,309,835	26.48	13,061,707	28.55	15,051,894	28.29
Vet Food Agro Diagnostics	769,413	1.43	831,621	1.41	1,105,968	1.52	689,421	1.51	726,401	1.37
	61,952,945	115.20	74,017,852	125.82	81,454,597	111.72	51,382,031	112.32	59,818,950	112.44
Less: Consolidation adjustments [#]	(8,173,641)	(15.20)	(15,191,335)	(25.82)	(8,544,274)	(11.72)	(5,635,738)	(12.32)	(6,616,492)	(12.44)
Total	53,779,304	100.00	58,826,517	100.00	72,910,323	100.00	45,746,293	100.00	53,202,458	100.00

Note:

Being elimination of inter-company transactions.

Rhone Ma Holdings did not incur any cost of sales for the financial years / periods under review.

Cost of sales incurred by Rhone Ma Malaysia mainly comprised cost of products sold and cost of manufacturing which accounted for the majority of our Group's total cost of sales for the financial years / periods under review.

Cost of sales incurred by Asia-Pacific Special Nutrients mainly comprised cost of products sold, consumables used in R&D projects and expenses for lab testing.

Cost of sales incurred by Link Ingredients solely comprised cost of products sold, customs duties and handling charges.

Cost of sales incurred by Vet Food Agro Diagnostics mainly comprised consumables used in diagnostic laboratory analysis including test kits, chemicals and lab testing fee.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.2.2 Services / Products

The details of cost of sales of our services / products are set out in the table below:

Cost of sales	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%	RM	%
Animal health services												
- Consumables	547,575	1.02	616,472	1.05	851,854	1.17	504,849	1.11	559,082	1.11	559,082	1.05
- Lab testing	36,442	0.07	35,765	0.06	51,511	0.07	24,325	0.05	74,449	0.05	74,449	0.14
Sub-total	584,017	1.09	652,237	1.11	903,365	1.24	529,174	1.16	633,531	1.16	633,531	1.19
Animal health products												
- Cost of goods sold	35,838,814	66.64	36,140,580	61.43	45,827,960	62.86	27,910,657	61.01	30,827,305	61.01	30,827,305	57.94
- Cost of manufacturing	3,397,874	6.32	3,804,763	6.47	6,534,717	8.96	4,019,089	8.79	6,501,330	8.79	6,501,330	12.22
- Customs duties and handling charges	316,114	0.59	259,653	0.44	273,090	0.38	169,030	0.37	175,647	0.37	175,647	0.33
- Others	44,280	0.08	41,086	0.07	61,356	0.08	56,636	0.12	12,751	0.12	12,751	0.02
Sub-total	39,597,082	73.63	40,246,082	68.41	52,697,123	72.28	32,155,412	70.29	37,517,033	70.29	37,517,033	70.51
Food ingredients												
- Cost of goods sold	13,310,622	24.75	17,658,579	30.02	19,073,471	26.16	12,842,709	28.07	14,798,564	28.07	14,798,564	27.82
- Customs duties and handling charges	287,583	0.53	269,619	0.46	236,364	0.32	218,998	0.48	253,330	0.48	253,330	0.48
Sub-total	13,598,205	25.28	17,928,198	30.48	19,309,835	26.48	13,061,707	28.55	15,051,894	28.55	15,051,894	28.30
Total	53,779,304	100.00	58,826,517	100.00	72,910,323	100.00	45,746,293	100.00	53,202,458	100.00	53,202,458	100.00

Animal health services

The cost of sales of animal health services mainly comprised consumables used in diagnostic laboratory analysis including test kits, chemicals and lab testing fee.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Animal health products

The cost of sales attributable to animal health products accounted for more than 68.00% of our Group's total cost of sales for the financial years / periods under review. The cost of sales for animal health products mainly comprised cost of goods sold, cost of manufacturing, customs duties and handling charges and other costs. Cost of manufacturing predominantly consists of cost of raw materials whereas other costs mainly consist of consumables used and lab testing fee.

Food ingredients

Cost of sales incurred for food ingredients mainly comprised cost of products sold, customs duties and handling charges.

12.2.2.3 Geographical Location

The cost of sales analysis by geographical location is not presented as we do not maintain such information.

12.2.2.4 Commentaries on Cost of Sales**(i) FYE 31 December 2013 compared to FYE 31 December 2012**

- (a) Cost of sales incurred by Rhone Ma Malaysia had increased by 14.22% or RM5.68 million as compared to the FYE 31 December 2012. This was due mainly to increased purchases to accommodate increased sales of vaccines and pharmaceuticals during the financial year.

Fees charged by Asia-Pacific Special Nutrients to Rhone Ma Malaysia for IP rights remained relatively constant as compared to the previous financial year. Nevertheless, cost incurred by Rhone Ma Malaysia for inter-company transactions will be eliminated for consolidation purpose.

- (b) Cost of sales incurred by Asia-Pacific Special Nutrients increased by approximately 334.76% or RM1.49 million as compared to the FYE 31 December 2012. The increase was due mainly to purchases of feed additives products as a result of the Business Transfer. Cost incurred for consumables used in R&D projects and expenses for lab testing remained relatively constant.

- (c) In addition to increase in sales of animal health products by Rhone Ma Malaysia and Asia-Pacific Special Nutrients, the increase in cost of sales was also attributed to:

- increase in average price charged by our suppliers; and
- loss on foreign currency exchange arising from purchases from our overseas suppliers of approximately RM0.40 million due to the weakening of RM against USD and EUR.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- (d) Cost of sales incurred by Link Ingredients increased by approximately 37.60% or RM3.72 million as compared to the FYE 31 December 2012. This was due mainly to increased purchases of food ingredients to accommodate increased sales during the financial year.
- (e) The decrease in cost of sales of Vet Food Agro Diagnostics by approximately 19.37% or RM0.18 million as compared to the FYE 31 December 2012 was due mainly to the purchase of test kits from a third party on behalf of Rhone Ma Malaysia in the FYE 31 December 2012 where no such expenses were incurred in the FYE 31 December 2013.

(ii) FYE 31 December 2014 compared to FYE 31 December 2013

- (a) Cost of sales incurred by Rhone Ma Malaysia had decreased by approximately 6.72% or RM3.07 million as compared to the FYE 31 December 2013 which was due mainly to the decrease in purchases of feed additives as a result of the Business Transfer.

Fees charged by Asia-Pacific Special Nutrients to Rhone Ma Malaysia for IP rights remained constant as compared to the previous financial year. Nevertheless, cost incurred by Rhone Ma Malaysia for inter-company transactions will be eliminated for consolidation purpose.

- (b) Cost of sales incurred by Asia-Pacific Special Nutrients increased by approximately 553.32% or RM10.74 million as compared to the FYE 31 December 2013. This was due mainly to increased purchases of feed additives as a result of the Business Transfer. Cost incurred for consumables used in R&D projects and expenses for lab testing remained relatively constant.
- (c) In aggregate, the cost of sales of animal health products had increased by approximately 1.64% or RM0.65 million as compared to the FYE 31 December 2013. In addition to the increase in sales of pharmaceuticals by Rhone Ma Malaysia and feed additives by Asia-Pacific Special Nutrients, the increase in cost of goods sold was contributed by the increase in average price charged by our suppliers. However, the increase was mitigated by gain on foreign currency exchange of approximately RM0.70 million, pursuant to the weakening of the EUR against RM.
- (d) Cost of sales incurred by Link Ingredients increased by approximately 31.84% or RM4.33 million as compared to the FYE 31 December 2013. This was due mainly to increased purchases of food ingredients to accommodate increased sales during the financial year. The slight increase in average unit cost of products had also contributed to the increase in cost of sales.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- (e) Cost of sales of animal health services which predominantly comprised cost of sales incurred by Vet Food Agro Diagnostics had remained relatively constant as compared to the FYE 31 December 2013.

(iii) FYE 31 December 2015 compared to FYE 31 December 2014

- (a) Cost of sales incurred by Rhone Ma Malaysia had decreased by 1.82% or RM0.78 million as compared to the FYE 31 December 2014. This was due mainly to the decrease in purchases of feed additives as a result of the Business Transfer. However, the decrease was mitigated by an increase in purchases of vaccines and manufacturing cost to accommodate the increase in sales during the financial year.

The significant increase in cost of manufacturing by approximately 71.75% or RM2.73 million was due mainly to the increase in demand for our in-house manufactured products. Fees charged by Asia-Pacific Special Nutrients to Rhone Ma Malaysia for IP rights had reduced as a result of lower renewal fees for fifteen (15) IP which had exceeded five (5) years in order to reflect the reduction in the value of IP rights over time. Nevertheless, cost incurred by Rhone Ma Malaysia for inter-company transactions will be eliminated for consolidation purpose.

- (b) Cost of sales incurred by Asia-Pacific Special Nutrients increased by approximately 51.71% or RM6.56 million as compared to the FYE 31 December 2014. This was due mainly to increased purchases of feed additives to accommodate increased sales as a result of the Business Transfer. Cost incurred for consumables used in R&D projects and expenses for lab testing remained relatively constant.
- (c) In aggregate, the cost of sales of animal health products had increased by approximately 30.94% or RM12.45 million as compared to the FYE 31 December 2014. In addition to increase in sales of animal health products, the increase in cost of sales was attributed to:
- increase in average price charged by our suppliers; and
 - loss on foreign currency exchange arising from purchases from our overseas suppliers of approximately RM1.74 million due to the weakening of RM against USD and EUR.
- (d) Cost of sales incurred by Link Ingredients increased by approximately 7.71% or RM1.38 million as compared to the FYE 31 December 2014 due mainly to increased purchases of food ingredients to accommodate increased sales during the financial year.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- (e) Cost of sales of animal health services which predominantly comprised cost of sales incurred by Vet Food Agro Diagnostics had increased by 38.50% or RM0.25 million due to increased demand for the diagnostic test services.

(iv) FPE 31 August 2016 compared to FPE 31 August 2015

- (a) Cost of sales incurred by Rhone Ma Malaysia had increased by approximately 14.93% or RM3.82 million as compared to the FPE 31 August 2015. This was due mainly to the increase in purchases of vaccines and manufacturing cost to accommodate the increase in sales during the financial period.

The significant increase in cost of manufacturing by approximately 61.76% or RM2.48 million was due mainly to the increase in demand for our in-house manufactured products.

- (b) Cost of sales incurred by Asia-Pacific Special Nutrients increased by approximately 21.52% or RM2.59 million as compared to the FPE 31 August 2015. This was due mainly to increased purchases of feed additives to accommodate increased sales during the financial period. Cost incurred for consumables used in R&D projects and expenses for lab testing remained relatively constant.
- (c) In aggregate, the cost of sales of animal health products had increased by approximately 16.67% or RM5.36 million as compared to the FPE 31 August 2015. The increase in cost of sales was in line with the increase in sales of animal health products coupled with the increase in average price charged by our suppliers.

However, the increase was mitigated by gain on foreign exchange of approximately RM0.27 million pursuant to the strengthening of RM against USD and EUR as compared to the corresponding period in 2015.

- (d) Cost of sales incurred by Link Ingredients increased by approximately 15.24% or RM1.99 million as compared to the FPE 31 August 2015 due mainly to increased purchases of food ingredients to accommodate increased sales during the financial period.
- (e) Cost of sales of animal health services which predominantly comprised cost of sales incurred by Vet Food Agro Diagnostics had increased by approximately 19.72% or RM0.10 million as a result of an increase in consumables used and lab testing fees.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.3 GP and GP Margin

Our GP and GP margin analysis for the financial years / periods under review are as follows:

12.2.3.1 Companies

The details of GP and GP margin of the companies within our Group are set out in the table below:

GP	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%	RM	%
Rhone Ma Holdings	-	-	-	-	-	-	-	-	-	-	-	-
Rhone Ma Malaysia	20,169,439	67.37	18,909,689	57.82	18,673,146	55.20	12,594,461	57.41	13,229,209	53.42	13,229,209	53.42
Asia-Pacific Special Nutrients	6,728,244	22.48	10,128,507	30.97	10,804,954	31.94	6,592,640	30.05	8,386,602	33.86	8,386,602	33.86
Link Ingredients	2,421,852	8.09	2,681,835	8.20	2,838,155	8.39	1,631,403	7.44	2,037,239	8.22	2,037,239	8.22
Vet Food Agro Diagnostics	1,154,854	3.86	1,316,315	4.03	1,513,821	4.48	1,122,374	5.12	1,118,720	4.52	1,118,720	4.52
	30,474,389	101.80	33,036,346	101.02	33,830,076	100.01	21,940,878	100.02	24,771,770	100.02	24,771,770	100.02
Less: Consolidation adjustments [#]	(538,266)	(1.80)	(334,028)	(1.02)	(4,563)	(0.01)	(3,859)	(0.02)	(5,440)	(0.02)	(5,440)	(0.02)
Total	29,936,123	100.00	32,702,318	100.00	33,825,513	100.00	21,937,019	100.00	24,766,330	100.00	24,766,330	100.00

Note:

Being elimination of inter-company transactions.

12. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)**

GP margin *	FYE 31 December			FPE 31 August	
	2013	2014	2015	2015	2016
	%	%	%	%	%
Rhone Ma Holdings	-	-	-	-	-
Rhone Ma Malaysia	30.65	30.75	30.88	32.97	31.02
Asia-Pacific Special Nutrients	77.61	44.40	35.96	35.40	36.46
Link Ingredients	15.12	13.01	12.81	11.10	11.92
Vet Food Agro Diagnostics	60.02	61.28	57.78	61.95	60.63
Group GP margin	35.76	35.73	31.69	32.41	31.76

Note:

* The GP margin was derived before elimination of inter-company transactions.

Rhone Ma Holdings did not generate any GP for the financial years / periods under review.

The major GP contributor to our Group was Rhone Ma Malaysia which accounted for more than 53.00% of the GP generated by our Group for the financial years / periods under review.

Asia-Pacific Special Nutrients is the second largest GP contributor to our Group with increasing GP contribution to our Group from 22.48% for the FYE 31 December 2013 to 33.86% for the FPE 31 August 2016.

GP contributed by Link Ingredients and Vet Food Agro Diagnostics to our Group had remained relatively constant for the financial years / periods under review as there were no major changes to the business activities of Link Ingredients and Vet Food Agro Diagnostics over the years / periods.

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12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.3.2 Services / Products

The details of GP and GP margin of our services / products are set out in the table below:

GP	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%	RM	%
Animal health services	795,341	2.66	939,928	2.87	995,731	2.94	803,481	3.66	617,101	2.49	617,101	2.49
Animal health products*	26,718,930	89.25	29,080,555	88.93	30,118,295	89.04	19,606,030	89.38	22,374,307	90.34	22,374,307	90.34
Food ingredients	2,421,852	8.09	2,681,835	8.20	2,711,487	8.02	1,527,508	6.96	1,774,922	7.17	1,774,922	7.17
Total	29,936,123	100.00	32,702,318	100.00	33,825,513	100.00	21,937,019	100.00	24,766,330	100.00	24,766,330	100.00

GP margin	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	%	%	%	%	%	%	%	%	%	%	%	
Animal health services	57.66		59.03		52.43		60.29		49.34		49.34	
Animal health products*	40.29		41.95		36.37		37.88		37.36		37.36	
Food ingredients	15.12		13.01		12.31		10.47		10.55		10.55	
Group GP margin	35.76		35.73		31.69		32.41		31.76		31.76	

Note:

* The GP and GP margin of third party and in-house manufactured animal health products are as follows:

GP	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%	RM	%
Third party	24,638,266	92.21	26,566,403	91.35	26,988,422	89.61	17,604,963	89.79	19,359,910	86.53	19,359,910	86.53
In-house	2,080,664	7.79	2,514,152	8.65	3,129,873	10.39	2,001,067	10.21	3,014,397	13.47	3,014,397	13.47
Total	26,718,930	100.00	29,080,555	100.00	30,118,295	100.00	19,606,030	100.00	22,374,307	100.00	22,374,307	100.00

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

GP margin	FYE 31 December			FPE 31 August	
	2013	2014	2015	2015	2016
	%	%	%	%	%
<i>Third party</i>	40.50	42.16	36.89	38.49	38.43
<i>In-house</i>	37.98	39.79	32.38	33.24	31.68
GP margin of animal health products	40.29	41.95	36.37	37.88	37.36

Our Group's overall GP and GP margin for the financial years / periods under review was affected mainly by the changes in the quantity and selling price of our animal health products, the purchase price of the products and fluctuation of foreign currency exchange arising from the purchases.

Our Group's GP increased from RM29.94 million for the FYE 31 December 2013 to RM33.83 million for the FYE 31 December 2015, representing a CAGR of approximately 6.30%. This was due primarily to the increase in GP from our animal health products and services which contributed more than 90.00% to our Group's total GP for the financial years under review.

However, our Group's GP margin had decreased from 35.76% for the FYE 31 December 2013 to 31.69% for the FYE 31 December 2015 due primarily to the decrease in the GP margin of animal health services and animal health products.

Our Group's GP for the FPE 31 August 2016 increased by RM2.83 million as compared to the FPE 31 August 2015 as a result of the increase in GP from our animal health products of RM2.77 million for the FPE 31 August 2016. The slight decrease in our GP margin from 32.41% for the FPE 31 August 2015 to 31.76% for the FPE 31 August 2016 was due mainly to the decrease in the GP margin of animal health services.

Animal health services

GP from animal health services has been increasing over the financial years under review with GP contribution of between 2.66% and 2.94% to our Group. The increase in the GP of animal health services over the financial years under review was in line with the increase in revenue from animal health services.

Animal health products

GP from animal health products accounted for more than 88.00% of our Group's total GP for the financial years under review. GP from animal health products to our Group's total GP has been relatively consistent over the financial years under review.

Food ingredients

GP and GP margin of food ingredients solely comprised GP and GP margin of Link Ingredients for the distribution and supply of food ingredients.

12.2.3.3 Geographical Location

The GP and GP margin analysis by geographical location is not presented as we do not maintain such information.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)**12.2.3.4 Commentaries on GP and GP Margin****(i) FYE 31 December 2013 compared to FYE 31 December 2012**

- (a) GP of Rhone Ma Malaysia decreased by approximately 2.76% or RM0.57 million despite an increase in revenue of approximately 8.42% as compared to the FYE 31 December 2012. This was due mainly to the increase in average cost of purchases from our suppliers coupled with foreign currency exchange loss arising from purchases.

GP margin of Rhone Ma Malaysia had also decreased by approximately 3.52% as compared to the FYE 31 December 2012 as a result of inability of Rhone Ma Malaysia to transfer the entire increase in product cost to our customers and partially absorbed the increase in product cost.

- (b) GP of Asia-Pacific Special Nutrients increased by approximately 8.61% or RM0.53 million as compared to the FYE 31 December 2012 which was consistent with the increase in revenue generated by Asia-Pacific Special Nutrients as a result of the Business Transfer.

GP margin of Asia-Pacific Special Nutrients had decreased by approximately 15.67% as compared to the FYE 31 December 2012 due mainly to sale of animal feed additives which have lower GP margin as compared to IP rights.

- (c) In aggregate, GP from animal health products had decreased marginally by approximately 1.03% or RM0.28 million as compared to the FYE 31 December 2012.

GP margin of animal health products had decreased by approximately 4.20% as compared to the FYE 31 December 2012 predominantly due to the following:

- the increase in average price charged by our suppliers; and
- inability to transfer the entire increase in product cost to our customers in order to maintain competitive pricing and to maintain our market share; and
- foreign currency exchange loss arising from purchases during the financial year.

- (d) GP of Link Ingredients increased by approximately 41.55% or RM0.71 million as compared to the FYE 31 December 2012 which was in line with the increase in revenue generated by Link Ingredients.

GP margin of Link Ingredients had remained relatively constant at 15.12% as compared to 14.76% for the FYE 31 December 2012.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

- (e) GP of animal health services which were predominantly generated by Vet Food Agro Diagnostics had increased by approximately 130.44% or RM0.45 million as compared to the FYE 31 December 2012 which was in line with the increase in revenue generated by Vet Food Agro Diagnostics.

GP margin of Vet Food Agro Diagnostics had increased by approximately 10.90% as compared to the FYE 31 December 2012 due mainly to the increase in the provision of diagnostic test services which has a higher GP margin as compared to sale of test kits to Rhone Ma Malaysia during the FYE 31 December 2012 where no such sale was made in the FYE 31 December 2013.

(ii) FYE 31 December 2014 compared to FYE 31 December 2013

- (a) GP of Rhone Ma Malaysia decreased by approximately 6.25% or RM1.26 million as compared to the FYE 31 December 2013 due to the decrease in revenue generated by Rhone Ma Malaysia of approximately 6.58% as a result of the Business Transfer.

Although there was an increase in average cost of purchases from our suppliers, GP margin of Rhone Ma Malaysia for the FYE 31 December 2014 remained relatively constant as a result of the gain on foreign currency exchange arising from the purchases during the financial year.

- (b) GP of Asia-Pacific Special Nutrients increased by approximately 50.54% or RM3.40 million as compared to the FYE 31 December 2013. This was consistent with the increase in revenue generated by Asia-Pacific Special Nutrients as a result of the Business Transfer.

Despite the increase in GP, the GP margin of Asia-Pacific Special Nutrients had decreased by approximately 33.21% as compared to the FYE 31 December 2013 due mainly to the increase in the sale of feed additives which largely contributed lower GP margin as compared to IP rights.

- (c) In aggregate, GP from animal health products had increased by approximately 8.84% or RM2.36 million as compared to the FYE 31 December 2013.

GP margin of animal health products had increased by approximately 1.66% as compared to the FYE 31 December 2013 predominantly due to the foreign currency exchange gain arising from purchases during the financial year which mitigated the increase in average price charged by our suppliers.

- (d) GP of Link Ingredients increased by approximately 10.73% or RM0.26 million as compared to the FYE 31 December 2013 which was in line with the increase in revenue generated by Link Ingredients.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

GP margin of Link Ingredients had decreased slightly by 2.11% as compared to the FYE 31 December 2013 as a result of a slight increase in average unit cost of products charged by our suppliers during the financial year.

- (e) GP and GP margin of animal health services which was predominantly generated by Vet Food Agro Diagnostics had remained relatively constant as compared to the FYE 31 December 2013. The high GP margin of Vet Food Agro Diagnostics was due mainly to the nature of its business which only requires minimal cost of sales.

(iii) FYE 31 December 2015 compared to FYE 31 December 2014

- (a) GP of Rhone Ma Malaysia decreased by approximately 1.25% or RM0.24 million as compared to the FYE 31 December 2014 due to the decrease in revenue generated by Rhone Ma Malaysia of approximately 1.65% as a result of the Business Transfer. However, this was mitigated by the increase in GP contributed by the sales of vaccines.

GP margin of Rhone Ma Malaysia for the FYE 31 December 2015 remained relatively constant as compared to the FYE 31 December 2014 as the improved margins generated from sale of vaccines was offset by the increase in average price charged by our suppliers and loss on foreign currency exchange arising from purchases during the financial year.

- (b) GP of Asia-Pacific Special Nutrients increased by approximately 6.68% or RM0.68 million as compared with the FYE 31 December 2014. This was consistent with the increase in revenue generated by Asia-Pacific Special Nutrients predominantly from the sale of feed additives.

Despite the increase in GP, the GP margin of Asia-Pacific Special Nutrients had decreased by approximately 8.44% as compared to the FYE 31 December 2014. This was due to the increase in the sale of feed additives which largely contributed lower GP margin and a decrease in fees charged to Rhone Ma Malaysia for IP rights which had exceeded five (5) years.

- (c) In aggregate, GP from animal health products had increased by approximately 3.57% or RM1.04 million as compared to the FYE 31 December 2014.

Despite the increase in GP, the GP margin of animal health products had decreased by approximately 5.58% as compared to the FYE 31 December 2014 predominantly due to the following:

- increase in average price charged by our suppliers;

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- foreign currency exchange loss arising from purchases during the financial year; and
- inability to transfer the entire increase in product cost to our customers.

- (d) GP of Link Ingredients increased by approximately 5.83% or RM0.16 million as compared to the FYE 31 December 2014 which was in line with the increase in revenue generated by Link Ingredients.

GP margin of Link Ingredients had decreased slightly by 0.20% as compared to the FYE 31 December 2014 as a result of an increase in average unit cost of products charged by our suppliers during the financial year.

- (e) GP and GP margin of animal health services which was predominantly generated by Vet Food Agro Diagnostics had remained relatively constant as compared to the FYE 31 December 2014. The high GP margin of Vet Food Agro Diagnostics was due mainly to the nature of its business which only requires minimal cost of sales.

(iv) FPE 31 August 2016 compared to FPE 31 August 2015

- (a) GP of Rhone Ma Malaysia had increased by approximately 5.04% or RM0.63 million as compared to the FPE 31 August 2015. This was due to the increase in revenue generated by Rhone Ma Malaysia of approximately 11.67% from the increased sales of vaccines and pharmaceuticals.

Despite the increase in GP, the GP margin of Rhone Ma Malaysia had decreased by approximately 1.95% as compared to the FPE 31 August 2015 as a result of inability of Rhone Ma Malaysia to transfer the entire increase in the cost of vaccines and pharmaceuticals to our customers and partially absorbed the increase in product cost.

- (b) GP of Asia-Pacific Special Nutrients had increased by approximately 27.21% or RM1.79 million as compared to the FPE 31 August 2015 which was consistent with the increase in revenue generated by Asia-Pacific Special Nutrients predominantly from the sale of feed additives.

GP margin of Asia-Pacific Special Nutrients had increased by approximately 1.06% as compared to the FPE 31 August 2015 as a result of better pricing for the sale of feed additives.

- (c) In aggregate, GP from animal health products had increased by approximately 14.12% or RM2.77 million as compared to the FPE 31 August 2015.

12. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS** *(Cont'd)*

Despite the increase in GP, GP margin of animal health products had decreased by approximately 0.52% as compared to the FPE 31 August 2015 predominantly due to the following:

- increase in average price charged by our suppliers; and
- inability to transfer the entire increase in product cost to our customers.

- (d) GP of Link Ingredients had increased by approximately 24.88% of RM0.41 million as compared to the FPE 31 August 2015 which was in line with the increase in revenue generated by Link Ingredients.

GP margin of Link Ingredients had remained relatively constant at 11.92% as compared to 11.10% for the FPE 31 August 2015.

- (e) GP from animal health services which were predominantly generated by Vet Food Agro Diagnostics had decreased by approximately 23.20% or RM0.19 million as compared to the FPE 31 August 2015 as a result of the decrease in revenue generated from animal health services. The high GP margin of Vet Food Agro Diagnostics was due mainly to the nature of its business which only required minimal cost of sales.

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12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.4 Other Income

The breakdown of other income for the financial years / periods under review is as follows:

Other income	FYE 31 December				FPE 31 August					
	2013		2014		2015		2016			
	RM	%	RM	%	RM	%	RM	%		
Rental income	519,706	18.93	403,413	7.89	228,000	31.37	152,000	30.98	152,000	21.93
Interest income	18,423	0.67	20,751	0.41	39,083	5.38	20,542	4.19	97,116	14.02
Technical assistance ^(a)	34,678	1.26	-	-	29,552	4.07	29,552	6.02	-	-
Commission income ^(b)	-	-	148,264	2.90	215,264	29.62	98,114	20.00	367,382	53.01
Sale of supplies ^(c)	21,119	0.77	27,352	0.54	121,893	16.77	97,458	19.86	76,495	11.04
Gain on disposal of										
- Investment properties	2,099,717	76.47	4,429,045	86.64	-	-	-	-	-	-
- Property, plant and equipment	52,020	1.90	83,000	1.62	93,000	12.79	93,000	18.95	-	-
Total	2,745,663	100.00	5,111,825	100.00	726,792	100.00	490,666	100.00	692,993	100.00

Notes:

- (a) Technical assistance mainly relates to service fees charged for the extraction of samples for testing by our veterinarians.
(b) Commission income mainly relates to commission received from our supplier for technical consultancy services provided to their customers in the PRC.
(c) Sale of supplies mainly relates to sales of genetic material and consumables such as sampling materials to our customers upon request.

FYE 31 December 2013 compared to FYE 31 December 2012

For the FYE 31 December 2013, other income had increased by approximately 302.15% or RM2.06 million as compared to the previous financial year. The increase was mainly contributed by gain on disposal of a 3½ storey shop office located in Pusat Perdagangan Kota Damansara of approximately RM2.10 million at the selling price of RM3.50 million. The gain on disposal of property was mitigated by a decrease in sale of supplies of approximately RM0.03 million. In addition, no commission income was received during the financial year.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)**FYE 31 December 2014 compared to FYE 31 December 2013**

For the FYE 31 December 2014, other income had increased by approximately 86.18% or RM2.37 million as compared to the FYE 31 December 2013. The increase was due mainly to gain on disposal of a 3½ storey shop office located in Pusat Perdagangan Kota Damansara and a four (4) storey shop office located in Damansara Utama amounting to approximately RM4.43 million at the selling price of RM3.70 million and RM4.70 million, respectively. However, the increase in other income was mitigated by a decrease in rental income by approximately RM0.12 million due to sale of shop offices which were previously rented to third parties.

FYE 31 December 2015 compared to FYE 31 December 2014

Other income for the FYE 31 December 2015 had decreased by approximately 85.78% or RM4.39 million as compared to the FYE 31 December 2014. The decrease was due mainly to the gain on disposal of the two (2) shop offices amounting to approximately RM4.43 million were included in other income for the FYE 31 December 2014 but there were no such income during the FYE 31 December 2015. The reduction in rental income of approximately RM0.18 million as a result of the disposal of the two (2) shop offices which were previously rented to third parties had further contributed to the decrease in other income. However, the decrease in other income was mitigated by an increase in commission income and the sale of supplies of approximately RM0.07 million and RM0.09 million respectively.

FPE 31 August 2016 compared to FPE 31 August 2015

Other income for the FPE 31 August 2016 had increased by approximately 41.24% or RM0.20 million as compared to the FPE 31 August 2015. The increase was due mainly to an increase in commission income and interest income of approximately RM0.27 million and RM0.08 million respectively. However, the increase in other income was mitigated by a decrease in gain on disposal of property, plant and equipment of approximately RM0.09 million as there was no such income during the FPE 31 August 2016.

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12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.5 Distribution Costs

The breakdown of distribution costs for the financial years / periods under review is as follows:

Distribution costs	FYE 31 December						FPE 31 August			
	2013		2014		2015		2015		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%
Staff costs ^(a)	3,777,417	43.55	4,472,746	64.85	4,720,386	69.86	3,109,923	67.87	3,347,203	63.00
Publicity expenses ^(b)	2,559,203	29.50	1,304,494	18.91	820,051	12.13	687,262	15.00	978,332	18.41
Other miscellaneous expenses ^(c)	2,337,957	26.95	1,120,262	16.24	1,216,899	18.01	785,110	17.13	987,430	18.59
Total	8,674,577	100.00	6,897,502	100.00	6,757,336	100.00	4,582,295	100.00	5,312,965	100.00

Notes:

(a) Staff costs include salaries, bonuses, allowances, contributions to Employees' Provident Fund and other staff related expenses for our sales and marketing staff.

(b) Publicity expenses mainly include advertisement and promotional expenses, sponsorship and costs of samples.

(c) Other miscellaneous expenses mainly include delivery expenses, dealers' incentives, packaging costs and lab testing expenses.

FYE 31 December 2013 compared to FYE 31 December 2012

The distribution costs of our Group for the FYE 31 December 2013 increased by approximately 22.28% or RM1.58 million to RM8.67 million as compared to the FYE 31 December 2012 of RM7.09 million due mainly to the following:

- increase in salaries and other staff related expenses of approximately RM0.25 million as a result of annual salary increment;
- increase in delivery expenses of approximately RM0.09 million which was in line with the increase in our Group's total revenue;
- increase in expenses incurred for advertisement, promotion and marketing activities of approximately RM0.31 million as a result of our participation in conventions and conference to create greater awareness of our products and services;
- increase in samples given to our customers of approximately RM0.62 million; and

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- increase in fees for business consultancy and marketing support of approximately RM0.25 million to explore new markets and carry out exploratory work in potential new markets in Hong Kong, the PRC.

FYE 31 December 2014 compared to FYE 31 December 2013

The distribution costs of our Group for the FYE 31 December 2014 decreased by approximately 20.42% or RM1.77 million to RM6.90 million as compared to the FYE 31 December 2013 of RM8.67 million due mainly to the following:

- decrease in expenses incurred for advertisement, promotion and marketing activities of approximately RM0.28 million;
- decrease in samples given to our customers of approximately RM1.07 million as a result of a decrease in the number of road shows and exhibitions that our Group participated as compared to the previous financial year; and
- decrease in fees for business consultancy and marketing support of approximately RM0.92 million due to the expiry of the term of service in the previous financial year.

However, the decrease was mitigated by an increase in salaries and other staff related expenses of approximately RM0.70 million as a result of annual salary increment and increase in sales incentives.

FYE 31 December 2015 compared to FYE 31 December 2014

The distribution costs of our Group for the FYE 31 December 2015 decreased marginally by approximately 2.03% or RM0.14 million to RM6.76 million as compared to the FYE 31 December 2014 of RM6.90 million due mainly to the following:

- decrease in expenses incurred for sponsorship and marketing activities of approximately RM0.33 million; and
- decrease in samples given to our customers of approximately RM0.18 million which is in line with the decrease in marketing activities carried out by our marketing team for the financial year.

However, the decrease was mitigated by an increase in salaries and other staff related expenses of approximately RM0.25 million as a result of annual salary increment.

FPE 31 August 2016 compared to FPE 31 August 2015

The distribution costs of our Group for the FPE 31 August 2016 increased by approximately 15.94% or RM0.73 million to RM5.31 million as compared to the FPE 31 August 2015 of RM4.58 million due mainly to the following:

- increase in salaries and other staff related expenses of approximately RM0.24 million as a result of annual salary increment;
- increase in expenses incurred for participation in overseas conference and promotional activities of approximately RM0.29 million; and
- increase in delivery expenses and packaging cost totalling RM0.07 million and dealers' incentive of RM0.05 million which was in line with the increase in our Group's revenue.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.6 Administration Expenses

The breakdown of administration expenses for the financial years / periods under review is as follows:

Administration expenses	FYE 31 December						FPE 31 August			
	2013		2014		2015		2016		%	
	RM	%	RM	%	RM	%	RM	%		
Staff costs ^(a)	2,857,892	33.20	3,475,297	35.99	4,110,742	38.60	2,503,668	38.66	3,107,925	43.60
Directors' remuneration	1,558,368	18.11	1,636,409	16.95	1,639,559	15.40	654,089	10.10	900,235	12.63
Depreciation	1,240,279	14.41	1,168,986	12.11	1,462,536	13.73	998,932	15.43	904,054	12.68
Rental of premises	157,674	1.83	352,994	3.66	477,309	4.48	317,900	4.91	310,887	4.36
Inventories written off ^(b)	68,759	0.80	241,778	2.50	392,505	3.69	206,094	3.18	117,107	1.64
Foreign currency exchange (gain) / loss										
- Realised	(87,480)	(1.02)	(55,649)	(0.58)	343,249	3.22	372,800	5.76	42,858	0.60
- Unrealised	222,718	2.59	434,494	4.50	(282,699)	(2.65)	(434,247)	(6.71)	(130,725)	(1.83)
Other miscellaneous expenses ^(c)	2,588,697	30.08	2,401,446	24.87	2,505,924	23.53	1,856,358	28.67	1,876,640	26.32
Total	8,606,907	100.00	9,655,755	100.00	10,649,125	100.00	6,475,594	100.00	7,128,981	100.00

Notes:

- (a) Staff costs include salaries, bonuses, allowances, contributions to Employees' Provident Fund and other staff related expenses for our administrative staff.
- (b) Inventories written off comprise inventories that exceed its respective shelf life. The average shelf life of the products sold by our Group are as follows:

Products category	Shelf life
Vaccines	9 months to 3 years
Pharmaceuticals	1 year to 5 years
Feed additives	9 months to 5 years
Food ingredients	2 years to 5 years

Our Group does not provide any warranty policy on our products.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- (c) *Other miscellaneous expenses mainly include impairment loss on trade and other receivables, auditors' remuneration, utility charges, quit rent and assessment, repair and maintenance, printing and stationery, general insurance premium and donations.*

FYE 31 December 2013 compared to FYE 31 December 2012

The administration expenses of our Group for the FYE 31 December 2013 remained relatively constant as compared to the FYE 31 December 2012 of RM8.61 million. The difference was due mainly to the following:

- decrease in provision for inventory obsolescence and inventories written off of approximately RM0.12 million and RM0.22 million respectively due mainly to better stock management where our sales team works closely with our distribution team to actively promote and managed to sell most of the stocks which are close to its shelf life to our customers; and
- decrease in impairment loss on trade receivables of approximately RM0.23 million.

However, the decrease in administration expenses for the FYE 31 December 2013 was mitigated by an increase in salaries and other staff related expenses of approximately RM0.42 million as a result of annual salary increment and loss on disposal of plant and equipment of approximately RM0.38 million incurred during the financial year.

FYE 31 December 2014 compared to FYE 31 December 2013

The administration expenses of our Group for the FYE 31 December 2014 increased by approximately 12.20% or RM1.05 million to RM9.66 million as compared to the FYE 31 December 2013 of RM8.61 million due mainly to the following:

- increase in salaries and other staff related expenses of approximately RM0.62 million as a result of annual salary increment;
- increase in inventories written off of approximately RM0.17 million;
- increase in rental expenses of approximately RM0.20 million as our Group entered into a new tenancy agreement to rent a warehouse with effect from July 2014;
- increase in unrealised foreign currency exchange loss of approximately RM0.21 million; and
- increase in professional fees of approximately RM0.22 million which mainly relates to consultancy fees for GST implementation project and review of our Group's transfer pricing policy.

However, the increase in administration expenses for the FYE 31 December 2014 was mitigated by a reversal of provision for inventory obsolescence of approximately RM0.28 million. In addition, there was a loss on disposal of plant and equipment of approximately RM0.38 million incurred for the FYE 31 December 2013 where no such expenses were recorded for the FYE 31 December 2014.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

FYE 31 December 2015 compared to FYE 31 December 2014

Administration expenses of our Group for the FYE 31 December 2015 increased by approximately 10.25% or RM0.99 million to RM10.65 million as compared to the FYE 31 December 2014 of RM9.66 million due mainly to the following:

- increase in salaries and other staff related expenses of approximately RM0.64 million as a result of annual salary increment;
- increase in provision for inventory obsolescence of approximately RM0.25 million due to an increase in the level of inventories held as at 31 December 2015;
- increase in realised foreign currency exchange loss of approximately RM0.40 million due to the weakening of RM against USD and EUR during the financial year; and
- increase in depreciation of approximately RM0.29 million as a result of the acquisition of property, plant and equipment during the financial year.

However, the increase in administration expenses for the FYE 31 December 2015 was mitigated by the unrealised foreign currency exchange gain of approximately RM0.28 million compared to the unrealised foreign currency exchange loss of approximately RM0.43 million for the FYE 31 December 2014.

FPE 31 August 2016 compared to FPE 31 August 2015

Administration expenses of our Group for the FPE 31 August 2016 increased by approximately 10.03% or RM0.65 million to RM7.13 million as compared to the FPE 31 August 2015 of RM6.48 million due mainly to the following:

- increase in salaries and other staff related expenses of approximately RM0.60 million as a result of annual salary increment and provision for bonus; and
- increase in directors' remuneration of approximately RM0.25 million due to appointment of four (4) independent directors in April 2015.

However, the increase in administration expenses for the FPE 31 August 2016 was mitigated by a decrease in the realised foreign currency exchange loss of approximately RM0.33 million as compared to the FPE 31 August 2015.

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12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.7 Finance Costs

The breakdown of finance costs for the financial years / periods under review is as follows:

Finance costs	FYE 31 December						FYE 31 August			
	2013		2014		2015		2015		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%
Term loan interest	74,874	76.52	75,184	58.61	150,229	80.24	82,762	81.62	132,056	80.86
Bankers' acceptance interest	-	-	20,708	16.14	16,314	8.71	5,565	5.49	17,193	10.53
Overdraft interest	22,973	23.48	24,641	19.21	1,078	0.58	425	0.42	157	0.09
Hire purchase interest	-	-	7,751	6.04	19,606	10.47	12,650	12.47	13,913	8.52
Total	97,847	100.00	128,284	100.00	187,227	100.00	101,402	100.00	163,319	100.00

FYE 31 December 2013 compared to FYE 31 December 2012

The decrease in the finance costs of our Group of approximately RM0.12 million for the FYE 31 December 2013 was due mainly to a decrease in term loan interest as a result of repayment made during the year coupled with non-utilisation of bankers' acceptance and lower overdraft utilised during the financial year.

FYE 31 December 2014 compared to FYE 31 December 2013

The increase in finance costs of our Group of approximately RM0.03 million for the FYE 31 December 2014 was due mainly to the increase in bankers' acceptance interest. In addition, there was an interest on hire purchase incurred as a result of hire purchase financing obtained for the purchase of motor vehicles during the financial year.

FYE 31 December 2015 compared to FYE 31 December 2014

The increase in finance costs of our Group of approximately RM0.06 million for the FYE 31 December 2015 was due mainly to the increase in term loan interest of approximately RM0.08 million consequent to the full drawdown of the term loan to finance the acquisition of the land in Kapar during the financial year. However, the increase was mitigated by the decrease in overdraft interest totalling RM0.02 million as a result of lower usage of overdraft facilities during the financial year.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)
FPE 31 August 2016 compared to FPE 31 August 2015

The increase in finance costs of our Group of approximately RM0.06 million for the FPE 31 August 2016 was due mainly to the increase in term loan interest of approximately RM0.05 million consequent to the full drawdown of the term loan to finance the acquisition of the land in Kapar during the fourth (4th) quarter of 2015.

12.2.8 PBT and PBT Margin

Our PBT and PBT margin analysis for the financial years / periods under review are as follows:

(i) Companies

The details of PBT and PBT margin of the companies within our Group are set out in the table below:

PBT	FYE 31 December						FPE 31 August					
	2013		2014		2015		2015		2016		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%	RM	%
Rhone Ma Holdings	-	-	(2,000)	(0.01)	(304,274)	(1.79)	(112,987)	(1.00)	(288,865)	(2.25)		
Rhone Ma Malaysia	9,825,726	64.21	25,116,058	118.85	7,995,251	47.15	5,476,612	48.60	6,448,637	50.17		
Asia-Pacific Special Nutrients	3,951,156	25.82	7,435,832	35.19	7,214,998	42.54	4,578,064	40.63	5,544,876	43.14		
Link Ingredients	927,492	6.06	839,648	3.97	1,228,558	7.24	654,767	5.81	547,042	4.25		
Vet Food Agro Diagnostics	598,081	3.91	743,038	3.52	824,084	4.86	671,938	5.96	602,368	4.69		
	15,302,455	100.00	34,132,576	161.52	16,958,617	100.00	11,268,394	100.00	12,854,058	100.00		
Less: Consolidation adjustments [#]	-	-	(12,999,974)	(61.52)	-	-	-	-	-	-		
Total	15,302,455	100.00	21,132,602	100.00	16,958,617	100.00	11,268,394	100.00	12,854,058	100.00		

Note:

Being elimination of inter-company transactions.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

PBT margin*	FYE 31 December			FPE 31 August	
	2013	2014	2015	2015	2016
	%	%	%	%	%
Rhone Ma Holdings	-	N/A	N/A	N/A	N/A
Rhone Ma Malaysia	14.93	40.85	13.22	14.34	15.12
Asia-Pacific Special Nutrients	45.58	32.60	24.01	24.58	24.10
Link Ingredients	5.79	4.07	5.55	4.46	3.20
Vet Food Agro Diagnostics	31.08	34.59	31.46	37.09	32.65

Notes:

* The PBT margin was derived before elimination of inter-company transactions.

N/A Not applicable as the company did not generate any revenue for the financial years / periods under review.

The individual PBT contribution and PBT margin from our Subsidiaries is predominantly affected by the respective Subsidiaries' GP, other income, distribution costs, administration expenses and finance costs. Kindly refer to Sections 12.2.3, 12.2.4, 12.2.5, 12.2.6 and 12.2.7 of this Prospectus for further details of GP, other income, distribution costs, administration expenses and finance costs.

In addition to the above, the increase in PBT generated and PBT margin recognised by Rhone Ma Malaysia for the FYE 31 December 2014 was due to dividend declared and paid by Asia-Pacific Special Nutrients, the subsidiary of Rhone Ma Malaysia amounting to approximately RM13.00 million. Such dividend income recognised by Rhone Ma Malaysia will be eliminated for consolidation purpose.

Our Group's PBT and PBT margin for the financial years / periods under review are as follows:

	FYE 31 December			FPE 31 August	
	2013	2014	2015	2015	2016
	RM	RM	RM	RM	RM
PBT	15,302,455	21,132,602	16,958,617	11,268,394	12,854,058
PBT margin (%)	18.28	23.09	15.89	16.65	16.49

Our Group's PBT increased from RM15.30 million for the FYE 31 December 2013 to RM16.96 million for the FYE 31 December 2015, representing a CAGR of 5.27%, while PBT margin decreased by approximately 2.39% from 18.28% for the FYE 31 December 2013 to 15.89% for the FYE 31 December 2015. Our Group's PBT for the FPE 31 August 2016 was approximately 14.07% or RM1.59 million higher than the PBT for the FPE 31 August 2015 whereas our PBT margin for the FPE 31 August 2016 remained relatively constant as compared to the FPE 31 August 2015. The overall movement in PBT and PBT margin is in line with the movement in revenue and GP as explained in Sections 12.2.1 and 12.2.3 of this Prospectus.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) Services / Products

The PBT and PBT margin analysis by services / products are not presented as we do not maintain such information.

(iii) Geographical Location

The PBT and PBT margin analysis by geographical location is not presented as we do not maintain such information.

12.2.9 Income Tax Expense

	FYE 31 December			FPE 31 August	
	2013	2014	2015	2015	2016
	RM	RM	RM	RM	RM
Income tax expenses	2,710,067	3,554,038	3,932,875	2,567,496	2,677,344
Effective tax rate (%)	17.71	16.82	23.19	22.78	20.83
Malaysia statutory tax rate (%)	25.00	25.00	25.00	25.00	24.00

Our effective tax rate of 17.71%, 16.82% and 23.19% for the FYE 31 December 2013, FYE 31 December 2014 and FYE 31 December 2015 respectively were lower than the statutory tax rate of 25.00%. This was due principally to one of our Subsidiaries, Asia-Pacific Special Nutrients was awarded the BioNexus status incentive under the Income Tax (Exemption) (No. 17) Order 2007 and was granted 100% tax exemption on the statutory income effective 23 July 2007 for a period of ten (10) years which would expire on 22 July 2017.

In addition to the tax exemption granted to Asia-Pacific Special Nutrients, the lower effective tax rate for the FYE 31 December 2013 as compared to the FYE 31 December 2012 was due mainly to gain on disposal of investment property which was not subject to income tax and real property gains tax as the investment property was disposed after five (5) years from the date of acquisition.

In addition to the tax exemption granted to Asia-Pacific Special Nutrients, the lower effective tax rate for the FYE 31 December 2014 as compared to the FYE 31 December 2013 was due mainly to gain on disposal of investment properties which was not subject to income tax. The two (2) investment properties disposed were subject to real property gains tax of 5% and 15% respectively depending on the duration that the properties were held by our Group.

The effective tax rate for the FYE 31 December 2015 is higher as compared to the FYE 31 December 2014 as there was no other income which was not subject to income tax save for the tax exemption granted to Asia-Pacific Special Nutrients.

The lower effective tax rate for the FPE 31 August 2016 as compared to the FPE 31 August 2015 was due mainly to the reduction in statutory tax rate to 24.00% with effect from the year of assessment 2016.

Upon the expiry of the tax incentive on 22 July 2017, all statutory income generated by our Group thereafter will be subject to the statutory tax rate of 24.00%. For illustrative purposes, assuming that Asia-Pacific Special Nutrients is not granted with tax incentive, our income tax expenses for the FYE 31 December 2013, FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016 are estimated to be RM3.74 million, RM4.54 million, RM4.68 million and RM3.04 million, representing an effective tax rate of 24.47%, 21.48%, 27.57% and 23.61%, respectively.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.10 PAT and PAT Margin

Our PAT and PAT margin analysis for the financial years / periods under review are as follows:

(i) Companies

The details of PAT and PAT margin of the companies within our Group are set out in the table below:

PAT	FYE 31 December						FPE 31 August			
	2013		2014		2015		2015		2016	
	RM	%	RM	%	RM	%	RM	%	RM	%
Rhone Ma Holdings	-	-	(2,000)	(0.01)	(304,274)	(2.34)	(112,987)	(1.30)	(288,865)	(2.84)
Rhone Ma Malaysia	7,497,930	59.54	22,688,313	129.07	5,738,789	44.06	3,895,684	44.77	4,954,906	48.69
Asia-Pacific Special Nutrients	3,919,030	31.12	6,690,242	38.06	6,015,353	46.18	3,853,862	44.29	4,556,463	44.77
Link Ingredients	716,889	5.69	621,267	3.53	971,767	7.46	541,640	6.23	443,168	4.36
Vet Food Agro Diagnostics	458,539	3.65	580,716	3.30	604,107	4.64	522,699	6.01	511,042	5.02
	12,592,388	100.00	30,578,538	173.95	13,025,742	100.00	8,700,898	100.00	10,176,714	100.00
Less: Consolidation adjustments [#]	-	-	(12,999,974)	(73.95)	-	-	-	-	-	-
Total	12,592,388	100.00	17,578,564	100.00	13,025,742	100.00	8,700,898	100.00	10,176,714	100.00

Note:

Being elimination of inter-company transactions.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

PAT margin *	FYE 31 December			FPE 31 August	
	2013	2014	2015	2015	2016
	%	%	%	%	%
Rhone Ma Holdings	-	N/A	N/A	N/A	N/A
Rhone Ma Malaysia	11.39	36.90	9.49	10.20	11.62
Asia-Pacific Special Nutrients	45.21	29.33	20.02	20.69	19.81
Link Ingredients	4.47	3.01	4.39	3.69	2.59
Vet Food Agro Diagnostics	23.83	27.04	23.06	28.85	27.70

Notes:

* The PAT margin was derived before elimination of inter-company transactions.

N/A Not applicable as the company did not generate any revenue for the financial years / periods under review.

The individual PAT contribution and PAT margin from our Subsidiaries is predominantly affected by the respective Subsidiaries' PBT and income tax expenses. Kindly refer to Sections 12.2.8 and 12.2.9 of this Prospectus for further details of PBT and income tax expense.

Our Group's PAT and PAT margin for the financial years / periods under review are as follows:

	FYE 31 December			FPE 31 August	
	2013	2014	2015	2015	2016
	RM	RM	RM	RM	RM
PAT	12,592,388	17,578,564	13,025,742	8,700,898	10,176,714
PAT margin (%)	15.04	19.21	12.20	12.86	13.05

Our Group's PAT increased from RM12.59 million for the FYE 31 December 2013 to RM13.03 million for the FYE 31 December 2015, representing a CAGR of 1.71%, while PAT margin decreased by approximately 2.84% from 15.04% for the FYE 31 December 2013 to 12.20% for the FYE 31 December 2015. Our Group's PAT for the FPE 31 August 2016 was approximately 16.96% or RM1.48 million higher than the PAT for the FPE 31 August 2015 whereas our PAT margin for the FPE 31 August 2016 remained relatively constant as compared to the FPE 31 August 2015. The overall movement in PAT and PAT margin is in line with the movement in revenue, GP, PBT and income tax expense as explained in Sections 12.2.1, 12.2.3, 12.2.8 and 12.2.9 of this Prospectus.

(ii) Services / Products

The PAT and PAT margin analysis by services / products are not presented as we do not maintain such information.

(iii) Geographical Location

The PAT and PAT margin analysis by geographical location is not presented as we do not maintain such information.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.3 Factors and Trends Affecting Future Financial Condition and Results

Factors that may cause future financial condition and operation results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere of this Prospectus, particularly the risk factors as set out in Section 4 of this Prospectus.

Save as disclosed in Section 12.4 of this Prospectus, our results of operations and financial conditions in the coming future may be affected by the following factors:

- expansion of our production capacity through the construction of a new GMP-compliant plant. The expansion of our production capacity will allow us to increase our production volume and to cater to the increasing demand of our products;
- establishment of a main distribution centre through the construction of a new warehouse. We plan to store our products in a main distribution centre instead of multiple warehouses which could provide us easy access to our products, timely delivery of products to our customers leading to customer satisfaction and improve our results of operations;
- expansion of our product range which includes in-house development of new products and introduction of new products from our distributors. This will allow us to cater to a wider pool of customers with different needs and requirements; and
- further extend our reach into regional markets of which our Group have a presence. Our ability to expand successfully in the regional markets is backed by our experienced management team who have been instrumental to the growth and development of our Group over the years. We expect to broaden our customer base geographically and to increase our revenue stream from regional markets.

The above discussion is based on our Directors knowledge and experience of our business, operations and management, current economic and operating conditions and various assumptions regarding future events and actions to be taken by us.

Our competitive advantages and key strengths as set out in Section 6.1.4 of this Prospectus provided the foundation for the sustainability of our business and financial growth. Our future plans, strategies and prospects as set out in Section 6.22 of this Prospectus will further contribute to the sustainable growth of our financial performance.

12.4 Significant Factors Materially Affecting Our Group's Operations and Profits

In addition to the factors and trends set out in Section 12.3 of this Prospectus, the main factors that have affected and are expected to continue to affect our profits include, but are not limited to, the following:

(i) Competitive Advantages and Key Strengths

Our competitive advantages and key strengths will provide a platform for continuing growth and success. These include the following:

- we are an end-to-end animal health solution provider;
- we have an in-house R&D centre;
- we provide a broad range of products and services;
- we have our in-house manufactured products with own brand names; and

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- we have an experienced management team.

Please refer to Section 6.1.4 of this Prospectus for further details on our competitive advantages and key strengths.

(ii) Industry Outlook

The general outlook of the overall animal health and nutrition market is dependent on the following factors:

- derived demand from livestock industry leading to correlating growth patterns for the animal health and nutrition market; and
- scientific advancement of animal health and nutrition products.

The general outlook of the overall food ingredients market is dependent on the following factors:

- changing eating habits caused by fundamental societal changes;
- growth of the Halal food industry; and
- Malaysia's growing population.

Please refer to Section 7 of this Prospectus for further details on the industry outlook.

(iii) Dependency on the Livestock Industry

The animal health and nutrition market is highly dependent on the development and growth of the livestock industry as the animal health products are critical to the operations of a livestock farm in ensuring proper nutrition, health and hygiene of livestock. As such, our business operations are significantly reliant on the performance of the livestock industry in particular, the demand of poultry and swine. Any changes or adverse conditions affecting the livestock industry may have a material adverse effect on the business and financial performance of our Group.

Please refer to Section 4.2.2 of this Prospectus for further details and mitigating factors relating to dependency on the livestock industry.

(iv) Impact of foreign exchange rate

Our revenue is primarily denominated in RM where only 1.44% of our sales were transacted in USD for the FPE 31 August 2016. Our purchases are primarily denominated in foreign currency as majority of our purchases are from France, Italy, USA and PRC. For the FPE 31 August 2016, approximately 94.26% of our purchases were transacted in USD and EUR. As such, our Group's financial position and results of operations may be affected by foreign currency fluctuations. Nevertheless, our Group have not incurred any material losses arising from foreign currency exchange for the financial years / periods under review save for the loss on foreign currency exchange of approximately RM2.09 million recognised in the FYE 31 December 2015 as a result of the sharp depreciation of RM against other foreign currencies between July 2015 and September 2015.

However, our Group recognised a gain on foreign exchange of approximately RM0.22 million for the FPE 31 August 2016 due to the strengthening of RM against USD and EUR as compared to the corresponding period in 2015.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

The net realised foreign exchange gains or losses of our Group for the financial years / periods under review are as follows:

	FYE 31 December			FPE 31 August	
	2013	2014	2015	2015	2016
	RM	RM	RM	RM	RM
Net realised foreign currency exchange loss / (gain)	313,558	(757,644)	2,088,217	959,613	(224,411)
As a percentage of PBT (%)	2.05	(3.59)	12.31	8.52	(1.75)

(v) Impact of inflation

There was no material impact of inflation on our Group's historical financial results for the financial years / periods under review. Nevertheless, there can be no assurance that future inflation would not have an impact on our business operations and financial performance.

(vi) Government / Economic / Fiscal / Monetary Policies

Risks relating to government, economic, fiscal or monetary policies or factors, which may materially affect our operations are set out in Section 4.2.5 of this Prospectus.

There was no government, economic, fiscal or monetary policies or factors that have materially affected or could materially affect our Group's operations for the financial years / periods under review.

Please refer to Section 4 of this Prospectus for other factors that may have an impact on the financial position and results of operations of our Group.

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12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.5 Capitalisation and Indebtedness

The following information should be read in conjunction with the Reporting Accountants' Letter on the Compilation of Pro forma Consolidated Financial Information and the Accountants' Report as set out in Sections 11 and 13 of this Prospectus respectively.

The following table shows our cash and bank balances, indebtedness and capitalisation of our Group as at 31 August 2016 and as at the LPD:

	Audited as at 31 August 2016 RM	After Internal Restructuring, Acquisitions, Public Issue and utilisation of proceeds RM	Unaudited as at the LPD RM	After Public Issue and utilisation of proceeds RM
Cash and bank balances	16,549,632	14,985,267	20,003,746	18,439,381
Indebtedness				
<u>Current</u>				
Secured:				
Bankers' acceptance	416,496	416,496	776,167	776,167
Hire purchase	160,697	160,697	160,697	160,697
Term loan	1,440,481	1,440,481	1,440,481	1,440,481
	2,017,674	2,017,674	2,377,345	2,377,345
<u>Non-current</u>				
Secured:				
Hire purchase	323,292	323,292	309,886	309,886
Term loan	3,794,655	3,794,655	3,674,655	3,674,655
	4,117,947	4,117,947	3,984,541	3,984,541
Total indebtedness	6,135,621	6,135,621	6,361,886	6,361,886
Capitalisation				
Total shareholders' equity	69,437,188	92,372,823	66,610,439	93,201,939
Total capitalisation and indebtedness	75,572,809	98,508,444	72,972,325	99,563,825

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12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.6 Liquidity and Capital Resources

12.6.1 Working Capital

Our Group have been financing our operations via a combination of internally generated funds and bank borrowings. Our principal utilisation of funds has been for working capital and purchase of property, plant and equipment. As at 31 August 2016, our Group have cash and bank balances of approximately RM16.55 million and unutilised banking facilities of approximately RM13.04 million. Our total borrowings, after incorporating the effects of the Internal Restructuring, Acquisitions, Public Issue and utilisation of proceeds as at 31 August 2016 are set out in Section 12.5 of this Prospectus.

After incorporating the effects of our Public Issue and utilisation of proceeds, as at the FPE 31 August 2016, our Group has cash and bank balances of approximately RM14.99 million and total bank borrowings of approximately RM6.14 million. Our Group's debt to equity ratio as at the FPE 31 August 2016 is 0.07 times after incorporating the effects of our Public Issue and the utilisation of proceeds.

Our Directors are of the opinion that, after taking into consideration the current cash and cash position of our Group, the expected funds to be generated from operating activities, amount available under our existing banking facilities and the proceeds expected to be raised from the Public Issue, our Group will have adequate working capital to meet our present and foreseeable requirements for a period of twelve (12) months from the date of this Prospectus.

12.6.2 Statement of Cash Flows Summary

The following is a summary of our combined statement of cash flows for the past three (3) financial years up to the FYE 31 December 2015 and FPE 31 August 2016 which should be read in conjunction with the Accountants' Report as set out in Section 13 of this Prospectus.

	FYE 31 December			FPE 31
	2013	2014	2015	August 2016
	RM	RM	RM	RM
Net cash from operating activities	8,518,277	19,247,040	8,364,688	4,165,921
Net cash from / (used in) investing activities	2,714,490	7,801,623	(5,440,709)	(595,126)
Net cash (used in) / from financing activities	(8,076,255)	(22,542,011)	2,349,174	(2,041,277)
Net increase in cash and cash equivalents	3,156,512	4,506,652	5,273,153	1,529,518
Cash and cash equivalents at beginning of financial year / period	2,083,797	5,240,309	9,746,961	15,020,114
Cash and cash equivalents at end of financial year / period	5,240,309	9,746,961	15,020,114	16,549,632

All of our cash and bank balances are held in RM.

Save as disclosed in Section 12.6.3 of this Prospectus, our Directors are of the opinion that there are no legal, financial or economic restrictions on the ability of our Subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances and are therefore confident that we can meet our cash obligations.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)**(i) Net Cash from Operating Activities****FYE 31 December 2013**

For the FYE 31 December 2013, our Group generated positive net cash of approximately RM8.52 million from operating activities. The net cash from operating activities comprised adjustments for non-cash items including depreciation of property, plant and equipment of approximately RM1.15 million and gain on disposal of investment property of approximately RM2.10 million.

In addition, working capital changes during the FYE 31 December 2013 arose mainly from the following:

- (a) increase in inventories of approximately RM5.08 million due mainly to the increase in purchases to cater for the increase in the demand of our products;
- (b) increase in trade and other receivables of approximately RM2.05 million attributable mainly to the increased sales during the financial year; and
- (c) increase in trade and other payables of approximately RM3.68 million as a result of the increase in purchases to accommodate the increase in sales.

Also, approximately RM3.16 million was used to pay income tax during the financial year.

FYE 31 December 2014

For the FYE 31 December 2014, our Group generated positive net cash of approximately RM19.25 million from operating activities. The net cash from operating activities comprised adjustments for non-cash items including depreciation of property, plant and equipment of approximately RM1.17 million, gain on disposal of investment properties of approximately RM4.43 million and unrealised loss on foreign currency exchange of approximately RM0.43 million.

In addition, working capital changes during the FYE 31 December 2014 arose mainly from the following:

- (a) decrease in inventories of approximately RM1.09 million as a result of an increase in the demand of our products;
- (b) decrease in trade and other receivables of approximately RM2.19 million attributable mainly to prompt and timely collections of trade receivables; and
- (c) increase in trade and other payables of approximately RM0.56 million due mainly to higher purchases made to meet the increased sales volume.

Also, approximately RM2.91 million was used to pay income tax during the financial year.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)**FYE 31 December 2015**

For the FYE 31 December 2015, our Group generated positive net cash of approximately RM8.36 million from operating activities. The net cash from operating activities comprised adjustments for non-cash items including depreciation of property, plant and equipment of approximately RM1.46 million, inventories written off of approximately RM0.39 million and unrealised gain on foreign currency exchange of approximately RM0.28 million.

In addition, working capital changes during the FYE 31 December 2015 arose mainly from the following:

- (a) increase in inventories of approximately RM4.68 million as a result of an increase in purchases to cater for the increase in the demand of our products and to mitigate any further fluctuation of foreign currency;
- (b) increase in trade and other receivables of approximately RM5.57 million attributable mainly to the increased sales during the financial year; and
- (c) increase in trade and other payables of approximately RM3.36 million due mainly to higher purchases made to meet the increased sales volume.

Also, approximately RM3.34 million was used to pay income tax during the financial year.

FPE 31 August 2016

For the FPE 31 August 2016, our Group generated positive net cash of approximately RM4.17 million from operating activities. The net cash from operating activities comprised adjustments for non-cash items including depreciation of property, plant and equipment of approximately RM0.90 million, inventories written off of approximately RM0.12 million and unrealised gain on foreign currency exchange of approximately RM0.13 million.

In addition, working capital changes during the FPE 31 August 2016 arose mainly from the following:

- (a) increase in inventories of approximately RM1.74 million as a result of an increase in purchases to cater for the increase in the demand of our products;
- (b) increase in trade and other receivables of approximately RM2.01 million attributable mainly to the increased sales during the financial period; and
- (c) decrease in trade and other payables of approximately RM3.46 million due mainly to timely settlement of amount owing to our suppliers.

Also, approximately RM2.36 million was used to pay income tax during the financial period.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)**(ii) Net Cash from / (Used in) Investing Activities****FYE 31 December 2013**

For the FYE 31 December 2013, the net cash from investing activities amounted to approximately RM2.71 million which mainly derived from proceeds from the disposal of investment property and property, plant and equipment of RM3.50 million and RM0.23 million respectively. Approximately RM1.04 million was utilised for the purchase of property, plant and equipment during the financial year.

FYE 31 December 2014

For the FYE 31 December 2014, the net cash from investing activities amounted to approximately RM7.80 million which was mainly derived from proceeds from the disposal of investment properties of RM8.40 million. Approximately RM0.70 million was utilised for the purchase of property, plant and equipment during the financial year.

FYE 31 December 2015

For the FYE 31 December 2015, the net cash used in investing activities amounted to approximately RM5.44 million which was predominantly due to the purchase of property, plant and equipment during the financial year amounting to approximately RM5.57 million.

FPE 31 August 2016

For the FPE 31 August 2016, the net cash used in investing activities amounted to approximately RM0.60 million which was predominantly due to the purchase of property, plant and equipment of approximately RM0.70 million and mitigated by interest of approximately RM0.10 million received during the financial period.

(iii) Net Cash (Used in) / from Financing Activities**FYE 31 December 2013**

For the FYE 31 December 2013, the net cash used in financing activities amounted to approximately RM8.08 million which mainly consist of dividends paid of approximately RM9.92 million. The cash inflow from financing activities comprised drawdown of term loan of approximately RM1.94 million for working capital requirements.

FYE 31 December 2014

For the FYE 31 December 2014, the net cash used in financing activities amounted to approximately RM22.54 million which mainly consist of dividends paid of approximately RM20.59 million and repayment of borrowings of approximately RM1.82 million.

FYE 31 December 2015

For the FYE 31 December 2015, the net cash from financing activities amounted to approximately RM2.35 million which mainly derived from the drawdown of term loan of approximately RM5.39 million. The cash outflow used in financing activities comprised dividend paid of approximately RM1.50 million and repayment of borrowings of approximately RM1.35 million.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

FPE 31 August 2016

For the FPE 31 August 2016, the net cash used in financing activities amounted to approximately RM2.04 million which mainly consist of repayment of borrowings of approximately RM1.88 million and interest of approximately RM0.16 million paid during the financial period.

12.6.3 Borrowings

The table below sets forth our total outstanding bank borrowings as at 31 August 2016.

Borrowings	Audited as at 31 August 2016 RM
Secured short-term borrowings	
Bankers' acceptance	416,496
Hire purchase	160,697
Term loan	1,440,481
Total secured short-term borrowings	2,017,674
Secured long-term borrowings	
Hire purchase	323,292
Term loan	3,794,655
Total secured long-term borrowings	4,117,947
Total borrowings	6,135,621
Pro forma gearing ratio (times) ^(a)	0.09

Note:

(a) Computed based on the total interest bearing borrowings over our pro forma shareholders' equity (after the Internal Restructuring and Acquisitions but before our IPO and utilisation of proceeds) as at 31 August 2016 of RM65.78 million.

Our Group's borrowings as at 31 August 2016 were all denominated in RM. These borrowings bore effective interest rates ranging from 2.35% to 5.10% per annum. Our borrowings as at 31 August 2016 were mainly utilised to finance the acquisition of the land in Kapar, purchase of motor vehicles and working capital. Bank borrowings are obtained as and when required and our Group does not experience seasonality of borrowing requirements. As at 31 August 2016, our Group have unutilised banking facilities of approximately RM13.04 million which do not have any restrictions on their use.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

The maturity profile of our borrowings as at 31 August 2016 is as set out below:

	Amount RM
Within 1 year	2,017,674
More than 1 year and less than 2 years	845,381
More than 2 years and less than 5 years	1,358,834
More than 5 years	1,913,732
Total borrowings	6,135,621

The details of the types of credit facilities that we use and the outstanding balances as at the LPD are as follows:

Types of facilities	Tenure	Interest rate per annum %	Credit limit RM	Outstanding balances as at the LPD RM
Bankers' acceptance	60 to 90 days	4.79	6,300,000	776,167
Hire purchase	5 years	2.35 to 2.47	864,000	470,583
Term loan	5 to 10 years	4.40 to 5.10	12,700,000	5,115,136
Total			19,864,000	6,361,886

Our bankers' acceptance was utilised for working capital. Our hire purchase was utilised to finance the purchase of motor vehicles whereas our term loan was mainly utilised to part finance the purchase of land in Kapar and for working capital.

One of the credit facilities currently utilised by our Group contains a financial covenant which stipulates that Rhone Ma Malaysia shall not declare or pay any dividends (including stock dividends) or carry out other forms of distribution of profits without the prior written consent of the bank.

There was no default on payments of either interest and / or principal sums in respect of any borrowings throughout the past one (1) financial year and up to the LPD. Our Group is not in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operation, or the investments by holders of securities in us.

As at the LPD, our Group does not have any interest rate hedging policy or any foreign borrowings. We will monitor the interest rate movement and will take the necessary steps to minimise interest rate risk whenever deemed appropriate such as implementing a hedge policy. We will endeavour to manage our interest rate risk by maintaining a mix of fixed and floating rate borrowings where necessary. However, no assurance can be given that any future significant movement in interest rate will not have a material adverse impact on our business, operating results and financial position.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.6.4 Type of Financial Instruments Used

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.

Our Group has not entered into any financial instruments to hedge against any foreign currency fluctuation in terms of our sales in foreign currency as the amount transacted were not significant. In terms of purchases in foreign currency, our Group has not entered into any foreign exchange spot contracts for the FYE 31 December 2013 up to the FYE 31 December 2015 and FPE 31 August 2016. However, our Group will continuously monitor the foreign currency fluctuations and enter into foreign exchange spot contracts to hedge against foreign currency fluctuation when necessary, based on expected payments to be made in the near future and our estimation on the movement of the exchange rate.

12.6.5 Treasury Policies and Objectives

We have been financing our operations through internally generated funds as well as external sources of funds. Our external sources of funds mainly consist of bank borrowings. Majority of funds sourced internally and externally are in RM. Details of our bank borrowings are provided in Section 12.6.3 of this Prospectus.

Our borrowings comprised bankers' acceptance, hire purchase and term loans. The interest rates for bankers' acceptance, hire purchase and term loans are based on both fixed and floating rate agreed upon by our bankers when the respective bankers' acceptance, hire purchase and term loans were granted.

12.6.6 Material Litigation / Arbitration, Contingent Liabilities and Material Commitments for Capital Expenditure

(i) Material Litigation / Arbitration

There are no governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the twelve (12) months preceding the LPD.

(ii) Contingent Liabilities

As at the LPD, there are no material contingent liabilities, which upon becoming enforceable may have a substantial impact on the financial position of our Group.

(iii) Material Commitments for Capital Expenditure

Save as disclosed below, as at the LPD, our Group does not have any material commitments for capital expenditure, which upon becoming enforceable, may have a material effect on our financial position.

	RM
Approved and contracted for:	
- Machineries and equipment	<u>5,426,417</u>

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

The breakdown of machineries and equipment to be purchased are as follows:

Type of machineries and equipment	RM
Tipping, unloading and docking stations	846,720
IBC related system	3,755,556
Bagging system	317,520
Filling machines	573,300
Control system	123,480
Mechanical and electrical engineering, testing and commissioning	412,776
Total	6,029,352
Less: Deposit paid	(602,935)
Amount payable	5,426,417

Further details on the purchase of machineries and equipment are set out in Section 3.8 of this Prospectus.

12.7 Key Financial Ratios

Our key financial ratios for the financial years / periods under review are as follows:

Key financial ratios	FYE 31 December			FPE 31 August	
	2013	2014	2015	2015	2016
Trade receivables turnover days ^(a)	74	72	79	77	77
Trade payables turnover days ^(b)	70	71	79	53	55
Inventory turnover days ^(c)	114	97	99	96	99
Current ratio (times) ^(d)	3.02	2.96	2.93	3.62	3.88
Gearing ratio (times) ^(e)	0.10	0.08	0.14	0.08	0.09

Notes:

- (a) Based on the closing balance of trade receivables of the respective financial years / periods over revenue of the respective financial years / periods.
- (b) Based on the closing balance of trade payables of the respective financial years / periods over cost of sales of the respective financial years / periods.
- (c) Based on the closing balance of inventory of the respective financial years / periods over cost of sales of the respective financial years / periods.
- (d) Based on the total current assets over total current liabilities of the respective financial years / periods.
- (e) Based on the total interest bearing borrowings over shareholders' equity of the respective financial years / periods.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(i) Trade Receivables Turnover

The normal credit term granted to our customers ranges from thirty (30) days to ninety (90) days. As at 31 August 2016, approximately 83.51% of our trade receivables were within the normal credit term. Our trade receivables turnover days for the past three (3) financial years up to the FYE 31 December 2015 and FPE 31 August 2016 ranged between seventy two (72) days and seventy nine (79) days which are within the normal credit term due primarily to our on-going efforts in monitoring and collecting debts.

An ageing analysis of our trade receivables as at 31 August 2016 is as follows:

	Total RM	0 – 30 days RM	31 – 60 days RM	61 – 90 days RM	91 – 120 days RM	> 120 days RM
Rhone Ma Holdings	-	-	-	-	-	-
Rhone Ma Malaysia	13,206,716	4,787,729	2,704,748	2,683,031	1,877,393	1,153,815
Asia-Pacific Special Nutrients	6,452,567	2,737,260	1,454,437	1,142,536	820,156	298,178
Link Ingredients	4,602,429	2,510,765	1,459,214	565,515	26,834	40,101
Vet Food Agro Diagnostics	427,357	198,912	127,945	61,675	22,235	16,590
Trade receivables	24,689,069	10,234,666	5,746,344	4,452,757	2,746,618	1,508,684
Less: Impairment loss	(219,241)	-	-	-	-	(219,241)
Net trade receivables	24,469,828	10,234,666	5,746,344	4,452,757	2,746,618	1,289,443
<i>% of total net trade receivables</i>	<i>100.00</i>	<i>41.83</i>	<i>23.48</i>	<i>18.20</i>	<i>11.22</i>	<i>5.27</i>
As at the LPD:						
Subsequent collections	11,458,241	4,879,672	1,703,530	2,318,395	1,884,278	672,366
<i>% of total net trade receivables</i>	<i>46.83</i>	<i>19.94</i>	<i>6.96</i>	<i>9.48</i>	<i>7.70</i>	<i>2.75</i>
Net trade receivables net of subsequent collections	13,011,587	5,354,994	4,042,814	2,134,362	862,340	617,077
<i>% of total net trade receivables</i>	<i>53.17</i>	<i>21.88</i>	<i>16.52</i>	<i>8.72</i>	<i>3.53</i>	<i>2.52</i>

As at the LPD, a total of RM11.46 million, which represents 46.83% of the total outstanding trade receivables as at 31 August 2016 has been collected.

Our Group's trade receivables turnover period is adequately managed and is consistent with our policy for credit control purposes. Our Board is of the opinion that the remaining outstanding amounts are recoverable after taking into consideration our credit control procedures to limit the payment default of our customers.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) Trade Payables Turnover

The trade payables turnover period indicates that our Group's repayment is within the credit term granted by our suppliers which ranges from thirty (30) days to ninety (90) days. Our Group believes that timely settlement with suppliers will benefit our Group in terms of favourable pricing from our suppliers. This has resulted in a decrease in our trade payables turnover days from seventy (70) days for the FYE 31 December 2013 to fifty five (55) days for the FPE 31 August 2016.

An ageing analysis of our trade payables as at 31 August 2016 is as follows:

	Total RM	0 – 30 days RM	31 – 60 days RM	61 – 90 days RM	91 – 120 days RM	> 120 days RM
Rhone Ma Holdings	-	-	-	-	-	-
Rhone Ma Malaysia	9,754,634	2,311,153	3,285,965	4,157,516	-	-
Asia-Pacific Special Nutrients	1,851,417	281,466	1,340,020	229,931	-	-
Link Ingredients	276,363	(13,591)	144,364	144,345	1,245	-
Vet Food Agro Diagnostics	83,375	78,617	4,758	-	-	-
Trade payables	11,965,789	2,657,645	4,775,107	4,531,792	1,245	-
<i>% of total trade payables</i>	<i>100.00</i>	<i>22.21</i>	<i>39.91</i>	<i>37.87</i>	<i>0.01</i>	<i>-</i>
As at the LPD:						
Subsequent payments	5,834,535	257,961	1,675,723	3,899,606	1,245	-
<i>% of total trade payables</i>	<i>48.76</i>	<i>2.16</i>	<i>14.00</i>	<i>32.59</i>	<i>0.01</i>	<i>-</i>
Net trade payables	6,131,254	2,399,684	3,099,384	632,186	-	-
<i>% of total trade payables</i>	<i>51.24</i>	<i>20.06</i>	<i>25.90</i>	<i>5.28</i>	<i>-</i>	<i>-</i>

As at the LPD, a total of RM5.83 million, which represents 48.76% of the total outstanding trade payables as at 31 August 2016 has been paid to the trade payables.

Notwithstanding the funding gap between the collection and payment cycle, evidenced by the longer trade receivables turnover as compared to the trade payables turnover, our Group does not face cash flow problems as we maintain a healthy level of working capital and has sufficient funding facilities in place. As at the LPD, there are no actions, legal or otherwise, that have been taken against us by trade suppliers for the recovery of debts due to them or due to any default in payment.

(iii) Inventory Turnover

Our inventories consist of trading goods, finished goods, raw materials and packaging materials. It is our Group's general practice to maintain a sustainable level of inventories to support our business operations and to reduce the lead time in delivery of our products to the customers. Our normal inventory holding period is approximately ninety (90) days to 120 days.

The higher inventory turnover days of 114 days for the FYE 31 December 2013 was due mainly to increase in trading products as at the end of the financial year in order to cater to the expected demand in the beginning of year 2014. The inventory turnover days had decreased to ninety seven (97) days for the FYE 31 December 2014 as a result of increased sales for the FYE 31 December 2014.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

The inventory turnover days increased marginally to ninety nine (99) days for the FYE 31 December 2015 mainly attributable to the increase in the cost of products due to the depreciation of RM against USD and EUR as majority of our purchases are denominated in USD and EUR.

The inventory turnover days remained constant at ninety nine (99) days for the FPE 31 August 2016.

(iv) Current Ratio

Our Group's current ratio had remained relatively constant at between 2.93 times and 3.02 times for the financial years under review.

The increase in our current ratio to 3.88 times as at 31 August 2016 was due mainly to a reduction in our current liabilities as a result of settlement of trade payables and repayment of borrowings during the financial period.

(v) Gearing Ratio

Our gearing ratio decreased from 0.10 times as at 31 December 2013 to 0.08 times as at 31 December 2014 due primarily to full settlement of term loan which was previously utilised to finance the purchase of investment properties subsequent to the disposal of the investment properties during the financial year. As at 31 December 2015, our gearing ratio had increased to 0.14 times as a result of drawdown of term loan during the financial year to finance the acquisition of the land in Kapar.

As at 31 August 2016, our gearing ratio had decreased to 0.09 times due mainly to repayment of bankers' acceptance during the financial period.

(vi) Order Book

Order book is not relevant to our business operations as we do not enter into any long-term agreements with our customers. Our business is based on confirmed purchase orders from our customers.

12.8 Trend Information

Our Group's financial position and results of operations for the FPE 31 August 2016 have not been affected by any significant events or changes that have occurred during the financial period. In addition, as at the LPD, to the best of our Directors' knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had, or that our Group reasonably expects to have, a material impact on our Group's financial performance, position and operations other than those discussed in this section and Sections 4, 5, 6 and 7 of this Prospectus;
- (ii) material commitments for capital expenditure, as set out in Section 12.6.6 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as disclosed in this section and Section 4 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that have resulted in a material impact on our Group's revenue and / or profits, save for those that had been disclosed in this section and Sections 4, 5, 6 and 7 of this Prospectus;

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- (v) known trends, demands, commitments, events or uncertainties that have had, or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this section and Sections 4, 5, 6 and 7 of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and Sections 4, 5, 6 and 7 of this Prospectus.

Information on our Group's business and financial prospects, significant trends in revenue and cost of sales is set out in this section and Section 6 of this Prospectus. Discussion on the overview of the animal health and nutrition market and food ingredients market in Malaysia, their prospects and outlook are further elaborated in Section 7 of this Prospectus.

Based on the outlook of the animal health and nutrition market and food ingredients market in Malaysia as set out in Section 7 of this Prospectus, our Group's competitive advantages and key strengths and the future plan and strategies for our Group as set out in Section 6 of this Prospectus, our Board is optimistic about the future prospects of our Group.

12.9 Dividend Forecast and Policy

Our Directors have considered the general principles that they currently intend to apply when recommending dividends for approval by our shareholders or when declaring any interim dividends. The actual dividend that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed fit and relevant by our Directors. We may, by ordinary resolution of the shareholders, declare dividends at a general meeting, but no dividend shall exceed the amount recommended by our Board.

In considering the level of dividend, if any, upon recommendation by our Directors, we intend to take into account various factors including:

- (i) our expected results of operations;
- (ii) required and expected interest expense and taxation, cash flows, our profits and return on equity and retained earnings;
- (iii) our projected levels of capital expenditure and other investment plans;
- (iv) the prevailing interest rates and yields of the financial market; and
- (v) the level of our cash, marketable financial assets and level of indebtedness.

It will be the policy of our Directors in recommending dividends to allow shareholders to participate in the profits of our Group as well as maintaining adequate reserves for the future growth of our Group.

You should note that future dividends proposed and declared, may vary depending on the financial performance and cash flows of our Group and may not occur if the payment of the dividends would adversely affect the cash flows and operations of our Group.

13. ACCOUNTANTS' REPORT



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The Board of Directors
Rhone Ma Holdings Berhad
Lot 18A & 18B, Jalan 241,
Seksyen 51A,
46100 Petaling Jaya,
Selangor Darul Ehsan.

Date: 17 October 2016

Our ref: BDO/AO/LCG

Dear Sirs

**RHONE MA HOLDINGS BERHAD (“RHONE MA HOLDINGS” OR “THE COMPANY”)
REPORTING ACCOUNTANTS’ OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE
ACCOUNTANTS’ REPORT (“THE REPORT”) OF THE COMPANY**

We have audited the financial information of Rhone Ma Holdings Berhad, which comprise the combined statements of financial position as at 31 December 2013, 31 December 2014, 31 December 2015 and 31 August 2016 of the Group as defined in Note 3, and combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years ended 31 December 2013, 31 December 2014, 31 December 2015 and the financial period 1 January 2016 to 31 August 2016, and a summary of significant accounting policies and other explanatory information, as set out on pages 3 to 74 (collectively referred to herein as “Combined Financial Statements”).

This report is prepared solely to comply with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for inclusion in the Prospectus of Rhone Ma Holdings Berhad in connection with the initial public offering of ordinary shares of Rhone Ma Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad as disclosed in Note 28 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Directors’ Responsibility for the Combined Financial Statements

The Directors of the Company are responsible for the preparation of the combined financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the combined financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants’ Responsibility

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

13. ACCOUNTANTS' REPORT (Cont'd)

**Reporting Accountants' Responsibility (continued)**

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

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

Opinion

In our opinion, the combined financial statements give a true and fair view of the financial position of the Group as at 31 December 2013, 31 December 2014, 31 December 2015 and 31 August 2016 and of their financial performance and cash flows for the financial years then ended and for the financial period 1 January 2016 to 31 August 2016 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

The information for the combined statement of profit or loss and other comprehensive income, combined statement of changes in equity, combined statement of cash flows and related explanatory notes for the financial period 1 January 2015 to 31 August 2015 has not been audited and is presented merely for purpose of comparison with the related financial information for the relevant interim periods only.

BDO
AF : 0206
Chartered Accountants

Kuala Lumpur
17 October 2016

Ooi Thiam Poh
2495/01/18 (J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)

RHONE MA HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	8-months financial period		Financial years		
		31.8.2016	31.8.2015	31.12.2015	31.12.2014	31.12.2013
		Audited RM	Unaudited RM	Audited RM	Audited RM	Audited RM
Revenue	7	77,968,788	67,683,312	106,735,836	91,528,835	83,715,427
Cost of sales		(53,202,458)	(45,746,293)	(72,910,323)	(58,826,517)	(53,779,304)
Gross profit		24,766,330	21,937,019	33,825,513	32,702,318	29,936,123
Other income		692,993	490,666	726,792	5,111,825	2,745,663
Distribution costs		(5,312,965)	(4,582,295)	(6,757,336)	(6,897,502)	(8,674,577)
Administration expenses		(7,128,981)	(6,475,594)	(10,649,125)	(9,655,755)	(8,606,907)
Finance costs	8	(163,319)	(101,402)	(187,227)	(128,284)	(97,847)
Profit before tax	9	12,854,058	11,268,394	16,958,617	21,132,602	15,302,455
Tax expense	10	(2,677,344)	(2,567,496)	(3,932,875)	(3,554,038)	(2,710,067)
Profit for the financial period/year		10,176,714	8,700,898	13,025,742	17,578,564	12,592,388
Other comprehensive income for the financial period/year, net of tax		-	-	-	-	-
Total comprehensive income for the financial period/year		10,176,714	8,700,898	13,025,742	17,578,564	12,592,388

13. ACCOUNTANTS' REPORT (Cont'd)

RHONE MA HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF FINANCIAL POSITION

	Note	As at	As at		
		31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	13	23,422,959	23,636,697	19,219,441	19,129,299
Investment properties	15	-	-	-	3,970,955
Other receivables	19	-	-	-	1,630,525
Other investments	16	4,200	4,200	4,200	4,200
		23,427,159	23,640,897	19,223,641	24,734,979
Current assets					
Inventories	18	21,472,078	19,770,709	15,573,781	16,742,874
Trade and other receivables	19	29,824,984	27,812,315	22,141,987	22,608,822
Current tax assets		99,476	14,418	1,619	62,491
Cash and bank balances	20	16,549,632	15,020,114	9,746,961	5,240,309
		67,946,170	62,617,556	47,464,348	44,654,496
TOTAL ASSETS		91,373,329	86,258,453	66,687,989	69,389,475
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Invested equity		2,480,003	2,480,002	2,480,002	2,480,002
Retained earnings		66,957,185	56,780,471	45,254,729	48,268,208
Total equity		69,437,188	59,260,473	47,734,731	50,748,210
Liabilities					
Non-current liabilities					
Borrowings	21	4,117,947	5,259,288	2,530,229	3,392,999
Deferred tax liabilities	17	302,040	366,308	379,085	444,914
		4,419,987	5,625,596	2,909,314	3,837,913

13. ACCOUNTANTS' REPORT (Cont'd)

RHONE MA HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF FINANCIAL POSITION (continued)

	Note	As at	As at		
		31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	22	14,026,530	17,612,351	14,530,348	13,146,567
Borrowings	21	2,017,674	2,754,292	1,139,950	1,541,864
Current tax liabilities		1,471,950	1,005,741	373,646	114,921
		<u>17,516,154</u>	<u>21,372,384</u>	<u>16,043,944</u>	<u>14,803,352</u>
Total liabilities		<u>21,936,141</u>	<u>26,997,980</u>	<u>18,953,258</u>	<u>18,641,265</u>
TOTAL EQUITY AND LIABILITIES		<u>91,373,329</u>	<u>86,258,453</u>	<u>66,687,989</u>	<u>69,389,475</u>

13. ACCOUNTANTS' REPORT (Cont'd)

RHONE MA HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	Non-	Distributable	Total equity RM
		Distributable	Distributable	
Financial year ended 31 December 2013		Share capital RM	Retained earnings RM	
As at 1 January 2013		2,480,002	45,598,328	48,078,330
Profit for the financial year		-	12,592,388	12,592,388
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	12,592,388	12,592,388
Transactions with owners				
Dividend paid	11	-	(9,922,508)	(9,922,508)
As at 31 December 2013		<u>2,480,002</u>	<u>48,268,208</u>	<u>50,748,210</u>
Financial year ended 31 December 2014				
As at 1 January 2014		2,480,002	48,268,208	50,748,210
Profit for the financial year		-	17,578,564	17,578,564
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	17,578,564	17,578,564
Transactions with owners				
Dividend paid	11	-	(20,592,043)	(20,592,043)
As at 31 December 2014		<u>2,480,002</u>	<u>45,254,729</u>	<u>47,734,731</u>

13. ACCOUNTANTS' REPORT (Cont'd)

RHONE MA HOLDINGS BERHAD
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CHANGES IN EQUITY (continued)**

	Note	Non- Distributable	Distributable	
		Share capital RM	Retained earnings RM	Total equity RM
Financial year ended 31 December 2015				
As at 1 January 2015		2,480,002	45,254,729	47,734,731
Profit for the financial year		-	13,025,742	13,025,742
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	13,025,742	13,025,742
Transactions with owners				
Dividend paid	11	-	(1,500,000)	(1,500,000)
As at 31 December 2015		<u>2,480,002</u>	<u>56,780,471</u>	<u>59,260,473</u>
Financial period ended 31 August 2015				
As at 1 January 2015		2,480,002	45,254,729	47,734,731
Profit for the financial period		-	8,700,898	8,700,898
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	8,700,898	8,700,898
As at 31 August 2015		<u>2,480,002</u>	<u>53,955,627</u>	<u>56,435,629</u>

13. ACCOUNTANTS' REPORT (Cont'd)

RHONE MA HOLDINGS BERHAD
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CHANGES IN EQUITY (continued)**

	Note	Non- Distributable	Distributable	
		Share capital RM	Retained earnings RM	Total equity RM
Financial period ended				
31 August 2016				
As at 1 January 2016		2,480,002	56,780,471	59,260,473
Profit for the financial period		-	10,176,714	10,176,714
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	10,176,714	10,176,714
Transactions with owners				
Issuance of new ordinary shares		1	-	1
As at 31 August 2016		<u>2,480,003</u>	<u>66,957,185</u>	<u>69,437,188</u>

13. ACCOUNTANTS' REPORT (Cont'd)

RHONE MA HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS

	Note	8-months financial period		Financial years		
		31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		12,854,058	11,268,394	16,958,617	21,132,602	15,302,455
Adjustments for:						
Depreciation of:						
- investment properties	15	-	-	-	-	86,959
- property, plant and equipment	13	904,054	998,932	1,462,536	1,168,986	1,153,320
Interest expenses	8	163,319	101,402	187,227	128,284	97,847
Interest income		(97,116)	(20,542)	(39,083)	(20,751)	(18,423)
Inventories (written back)/written down		(75,115)	-	87,440	(159,228)	119,074
Reversal of impairment of trade and other receivables		-	-	(83,697)	(95,959)	(126,584)
Inventories written off		117,107	206,094	392,505	241,778	68,759
Net loss/(gain) on disposal of:						
- property, plant and equipment		1,026	(93,000)	(93,000)	(83,000)	325,360
- investment properties		-	-	-	(4,429,045)	(2,099,717)
Property, plant and equipment written off		900	-	-	-	-
Unrealised (gain)/loss on foreign currency transactions		(130,725)	(434,247)	(282,699)	434,494	222,718
Operating profit before working capital changes		13,737,508	12,027,033	18,589,846	18,318,161	15,131,768
(Increase)/Decrease in inventories		(1,743,361)	(2,549,765)	(4,676,873)	1,086,543	(5,076,972)
(Increase)/Decrease in trade and other receivables		(2,012,669)	(8,118,718)	(5,568,177)	2,193,319	(2,051,427)
(Decrease)/Increase in trade and other payables		(3,455,096)	(1,508,689)	3,357,900	558,404	3,675,173
Cash generated from/(used in) operations		6,526,382	(150,139)	11,702,696	22,156,427	11,678,542
Tax refunded		-	-	54,924	278,447	-
Tax paid		(2,360,461)	(2,150,679)	(3,392,932)	(3,187,834)	(3,160,265)
Net cash from/(used in) operating activities		4,165,921	(2,300,818)	8,364,688	19,247,040	8,518,277

13. ACCOUNTANTS' REPORT (Cont'd)

RHONE MA HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS (continued)

	Note	8-months financial period		Financial years		
		31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment	13(a)	(696,016)	(216,454)	(5,572,792)	(702,128)	(1,035,269)
Interest received		97,116	20,542	39,083	20,751	18,423
Proceeds from disposal of:						
- property, plant and equipment		3,774	93,000	93,000	83,000	231,336
- investment properties		-	-	-	8,400,000	3,500,000
Net cash (used in)/from investing activities		(595,126)	(102,912)	(5,440,709)	7,801,623	2,714,490
CASH FLOWS FROM FINANCING ACTIVITIES						
Interest paid	11	(163,319)	(101,402)	(187,227)	(128,284)	(97,847)
Dividend paid		-	-	(1,500,000)	(20,592,043)	(9,922,508)
Drawdown of term loans		-	1,575,489	5,389,162	-	1,944,100
Repayment of:						
- banker's acceptance		(772,666)	-	-	-	-
- term loans		(984,688)	(707,197)	(1,170,073)	(1,744,966)	-
- hire purchase		(120,605)	(118,381)	(182,688)	(76,718)	-
Proceeds from issuance of shares		1	-	-	-	-
Net cash (used in)/from financing activities		(2,041,277)	648,509	2,349,174	(22,542,011)	(8,076,255)
Net increase/(decrease) in cash and cash equivalents		1,529,518	(1,755,221)	5,273,153	4,506,652	3,156,512
Cash and cash equivalents at beginning of financial period/year		15,020,114	9,746,961	9,746,961	5,240,309	2,083,797
Cash and cash equivalents at end of financial period/year	20	16,549,632	7,991,740	15,020,114	9,746,961	5,240,309

13. ACCOUNTANTS' REPORT *(Cont'd)*

RHONE MA HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31 AUGUST 2016

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at No. 8, 6th Floor, First Avenue, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor.

The principal place of business of the Company is located at Lot 18A & 18B, Jalan 241, Seksyen 51A, 46100 Petaling Jaya, Selangor.

These combined financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the combining entities are as disclosed in Note 14. There have been no significant changes in the nature of these principal activities during the financial periods/years.

3. BASIS OF PREPARATION

The combined financial statements have been prepared pursuant to the listing exercise of the Company on the Main Market of Bursa Malaysia Securities Berhad as disclosed in Note 28.

The combined financial statements consist of the financial statements of the Company, the consolidated financial statements of Rhone Ma Malaysia Sdn. Bhd. ("Rhone Ma Malaysia") and its subsidiaries and the financial statements of Vet Food Agro Diagnostics (M) Sdn. Bhd., a combining entity under the common control of Lim Ban Keong (which herein collectively referred to as "the Group").

The common control of the Group has been established since 1 January 2013 by virtue of Lim Ban Keong being the Managing Director, major shareholder and promoter of the Group.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

13. ACCOUNTANTS' REPORT (Cont'd)

3. BASIS OF PREPARATION (continued)

The financial information as presented in the combined financial statements may not correspond with the consolidated financial statements of the Group, after incorporating/effecting the relevant acquisitions. Such financial information from the combined financial statements does not purport to predict the financial positions, results of operation and cash flows of the Group.

The combined financial statements of the Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs") and the combined financial statements for the financial period 1 January 2016 to 31 August 2016 have been prepared in accordance with Malaysian Financial Reporting Standard 134 *Interim Financial Reporting* and International Accounting Standard 34 *Interim Financial Reporting*.

The historical financial information of the entities for the financial year ended 31 December 2013 which have been previously prepared in accordance with Private Entity Reporting Standards ("PERSs"), have been extracted and compiled, based on the audited financial statements of the respective entities prepared under PERSs for the said financial year. The Group adopted Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs") during the financial year ended 31 December 2014.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2013 and throughout all financial years presented, as if these policies had always been in effect.

The combined financial statements of the Group are prepared using the audited financial statements of the respective companies within the Group for the relevant financial periods/years and their auditors are as follows:

Company	Relevant Financial Years/Periods	Auditors
Rhone Ma Holdings	4 November 2014 to 31 December 2014	BDO
	FYE 31 December 2015	BDO
	1 January 2016 to 31 August 2016	BDO
Rhone Ma Malaysia	FYE 31 December 2013	Siva & Associates
	FYE 31 December 2014	BDO
	FYE 31 December 2015	BDO
	1 January 2016 to 31 August 2016	BDO
Asia-Pacific Special Nutrients	FYE 31 December 2013	Siva & Associates
	FYE 31 December 2014	BDO
	FYE 31 December 2015	BDO
	1 January 2016 to 31 August 2016	BDO
Link Ingredients	FYE 31 December 2013	Siva & Associates
	FYE 31 December 2014	BDO
	FYE 31 December 2015	BDO
	1 January 2016 to 31 August 2016	BDO
Vet Food Agro Diagnostics	FYE 31 December 2013	Siva & Associates
	FYE 31 December 2014	BDO
	FYE 31 December 2015	BDO
	1 January 2016 to 31 August 2016	BDO

13. ACCOUNTANTS' REPORT (Cont'd)

3. BASIS OF PREPARATION (continued)

There were no audited financial statements for Rhone Ma Holdings for the FYE 31 December 2013 as Rhone Ma Holdings was only incorporated on 4 November 2014 and the first set of audited financial statements of Rhone Ma Holdings covered the financial period from 4 November 2014 to 31 December 2014.

The audited financial statements of the respective companies within the Group for the relevant financial period/years reported above were not subject to any qualification or modification.

4. SIGNIFICANT ACCOUNTING POLICIES**4.1 Basis of accounting**

The combined financial statements of the Group have been prepared under the historical cost convention.

The preparation of combined financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of combination

The combined financial statements consist of the financial statements of the combining entities which are under common control as disclosed in Note 14 accordingly. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual agreements; and
- (c) the voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. The combined financial statements reflect external transactions only.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.2 Basis of combination (continued)****4.2.1 Common control entities**

Business combination involving entities under common control are accounted for by applying the merger accounting principles. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the combined financial statements.

In a business combination involving entities under common control, any differences between the cost of the merger and the share capital of the "acquired" entity is reflected within equity as reorganisation debit balance.

The combined statements of profit or loss and other comprehensive income reflects the result of the combining entities for the full period/year and the comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

4.2.2 Non-common control entities

In a business combination accounted for by applying the acquisition method of accounting, the identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

- (a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.
- (b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.2 Basis of combination (continued)****4.2.2 Non-common control entities (continued)**

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the consolidated statement of financial position.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Group, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to the owners, and is presented separately in the combined statement of profit or loss and other comprehensive income and within equity in the combined statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the financial period/year are included in the combined statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Group owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to the owners.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of combination (continued)

4.2.2 Non-common control entities (continued)

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate.

4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land and construction in progress are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Leasehold land	1.5%
Leasehold buildings	2%
Renovations	20%
Motor vehicles	25%
Office and computer equipment	10% - 25%
Laboratory equipment	10%
Furniture and fittings	10%
Product applicator and vaccination equipment	20%
Good Manufacturing Practices ("GMP") compliant - plant and equipment	10%

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.3 Property, plant and equipment and depreciation (continued)**

Freehold land has unlimited useful life and is not depreciated.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write-down is made if the carrying amount exceeds the recoverable amount (see Note 4.7 on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.4 Lease and hire purchase**(a) Finance lease and hire purchase**

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.4 Lease and hire purchase (continued)****(c) Leases of land and buildings**

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

4.5 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, including transaction costs.

After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of the investment properties to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods for the investment properties is fifty (50) years.

At the end of each reporting period, the carrying amount of an item of the investment properties are assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.7 on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment properties. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

Investment properties are derecognised when either they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.6 Investments**

Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4.7 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries), inventories and investment properties, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets and liabilities of the acquiree are assigned to those units or groups of units.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.7 Impairment of non-financial assets (continued)**

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with MFRS 8 *Operating Segment*.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in the profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.8 Inventories

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

Cost is determined using the first-in, first-out formula. The cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

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

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.9 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristic and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

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

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as fair value through profit or loss are recognised in profit or loss.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.9 Financial instruments (continued)**

(a) Financial assets (continued)

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and cash equivalents consist of cash on hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.9 Financial instruments (continued)****(a) Financial assets (continued)**

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

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

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as fair value through profit or loss are recognised in profit or loss.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.9 Financial instruments (continued)****(b) Financial liabilities (continued)**

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

4.10 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Held to maturity investments and loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable, to determine whether there is objective evidence that an impairment loss on held to maturity investments and loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.10 Impairment of financial assets (continued)****(a) Held to maturity investments and loans and receivables (continued)**

The carrying amount of held to maturity investments is directly reduced by the impairment loss whilst the carrying amount of loans and receivables are reduced through use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

4.11 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes such as real property gains taxes payable on disposal of properties.

Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits and real property gains taxes payable on disposal of properties.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statements of financial position and its tax base.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.11 Income taxes (continued)****(b) Deferred tax (continued)**

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits could be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

- (i) The same taxable entity; or
- (ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.12 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.12 Provisions (continued)**

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.13 Contingent liabilities and contingents assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the combined financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.14 Employee benefits**(a) Short term employee benefits**

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonus is recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.14 Employee benefits (continued)****(b) Defined contribution plans**

The Group makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

4.15 Foreign currencies**(a) Functional and presentation currency**

Items included in the combined financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The combined financial statements are presented in RM, which is the functional and presentation currency of the Company.

(b) Foreign currency translation and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

(a) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group does not have continuing managerial involvement over the goods, which coincides with the delivery of goods and acceptance by customers.

(b) Services

Revenue in respect of the rendering of services is recognised upon completion of service.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.17 Operating segments**

Operating segments are defined as components of the Group that:

- (a) Engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenue.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:
 - (i) the combined reported profit of all operating segments that did not report a loss; and
 - (ii) the combined reported loss of all operating segments that reported a loss.
- (c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the combined financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.18 Earnings per share

- (a) Basic

Basic earnings per ordinary share for the financial period/year is calculated by dividing the profit for the financial period/year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial period/year.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.18 Earnings per share (continued)****(b) Diluted**

Diluted earnings per ordinary share for the financial period/year is calculated by dividing the profit for the financial period/year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.19 Fair value measurements

The fair value of an asset or a liability, except for lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

- (a) The condition and location of the assets; and
- (b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

13. ACCOUNTANTS' REPORT (Cont'd)

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

5.1 New MFRSs adopted during the current financial period

The Group adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial period.

Title	Effective Date
MFRS 14	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	1 January 2016
Amendments to MFRS 101	1 January 2016
Amendments to MFRS 116 and MFRS 138	1 January 2016
Amendments to MFRS 11	1 January 2016
Amendments to MFRS 116 and MFRS 141	1 January 2016
Amendments to MFRS 127	1 January 2016
Amendments to MFRSs	1 January 2016

There is no material impact upon adoption of the above MFRSs during the current financial period.

5.2 New MFRSs that have been issued, but not effective for the financial period

The following are Standards of the MFRS Framework that have been issued by the MASB but are not yet effective.

Title	Effective Date
Amendments to MFRS 112	1 January 2017
Amendments to MFRS 107	1 January 2017
MFRS 15	1 January 2018
MFRS 9	1 January 2018
Amendments to MFRS 2	1 January 2018
MFRS 16	1 January 2019
Amendments to MFRS 10 and MFRS 128	Deferred

The Group is in the process of assessing the impact of implementing these Amendments as the effects would only be observable in future financial years.

13. ACCOUNTANTS' REPORT (Cont'd)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**6.1 Changes in estimates**

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the combined financial statements.

(a) Classification of leasehold land

The Group assessed and classified land use rights as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 *Leases*.

(b) Classification of non-current bank borrowings

The carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within the period as disclosed in Note 4.3. These are common life expectancies applied in the industry in which the Group operates. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

13. ACCOUNTANTS' REPORT (Cont'd)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**6.3 Key sources of estimation uncertainty (continued)****(b) Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the losses and capital allowances could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

(c) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(d) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on an assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

(e) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments.

13. ACCOUNTANTS' REPORT (Cont'd)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**6.3 Key sources of estimation uncertainty (continued)****(f) Fair value measurement**

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

(g) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of the tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

13. ACCOUNTANTS' REPORT (Cont'd)

7. REVENUE

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
Sales of goods	76,718,156	66,162,693	104,648,036	89,936,670	82,336,069
Services rendered	1,250,632	1,520,619	2,087,800	1,592,165	1,379,358
	<u>77,968,788</u>	<u>67,683,312</u>	<u>106,735,836</u>	<u>91,528,835</u>	<u>83,715,427</u>

8. FINANCE COSTS

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
Interest expenses:					
Term loan	132,056	82,762	150,229	75,184	74,874
Bankers acceptances	17,193	5,565	16,314	20,708	-
Overdraft	157	425	1,078	24,641	22,973
Hire purchase interest	13,913	12,650	19,606	7,751	-
	<u>163,319</u>	<u>101,402</u>	<u>187,227</u>	<u>128,284</u>	<u>97,847</u>

9. PROFIT BEFORE TAX

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
Profit before tax is arrived at after charging:					
Auditors' remuneration	83,267	48,000	72,000	60,000	33,500

13. ACCOUNTANTS' REPORT (Cont'd)

9. PROFIT BEFORE TAX (continued)

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
Profit before tax is arrived at after charging: (continued)					
Depreciation of:					
- property, plant and equipment (Note 13)	904,054	998,932	1,462,536	1,168,986	1,153,320
- investment properties (Note 15)	-	-	-	-	86,959
Directors' remuneration:					
- fees	240,000	90,000	578,000	708,000	714,000
- salaries and other emoluments	660,235	564,089	1,061,559	928,409	844,368
Inventories written down	-	-	87,440	-	119,074
Inventories written off	117,107	206,094	392,505	241,778	68,759
Loss on disposal of property, plant and equipment	1,026	-	-	-	377,380
Loss on foreign currency translations:					
- Realised	-	959,613	2,088,217	-	313,558
- Unrealised	-	-	-	434,494	222,718
Property, plant and equipment written off	900	-	-	-	-
Rental of premises	310,887	317,900	477,309	352,994	157,674
and crediting:					
Gain on disposal of:					
- property, plant and equipment	-	93,000	93,000	83,000	52,020
- investment properties	-	-	-	4,429,045	2,099,717
Gain on foreign currency translations:					
- Realised	224,411	-	-	757,644	-
- Unrealised	130,725	434,247	282,699	-	-
Rental income	152,000	152,000	228,000	403,413	519,706
Write back of inventories previously written down	75,115	-	-	159,228	-
Reversal of impairment of trade and other receivables	-	-	83,697	95,959	126,584
Interest income	97,116	20,542	39,083	20,751	18,423

13. ACCOUNTANTS' REPORT (Cont'd)

10. TAX EXPENSE

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
Current year tax expense based on profit for the financial period/year	3,005,295	2,436,446	3,806,782	3,228,984	2,660,603
(Over)/Under-provision in prior years	(263,683)	150,522	150,522	-	-
	2,741,612	2,586,968	3,957,304	3,228,984	2,660,603
Deferred tax					
Relating to origination and reversal of temporary differences	(28,314)	(31,154)	(51,995)	(3,008)	49,464
(Over)/Under-provision in prior years	(35,954)	11,682	39,218	(62,821)	-
	(64,268)	(19,472)	(12,777)	(65,829)	49,464
Real Property Gain Tax ("RPGT")	-	-	(11,652)	390,883	-
	2,677,344	2,567,496	3,932,875	3,554,038	2,710,067

The Malaysian income tax is calculated at the statutory tax rate of 24% (31.8.2015; 31.12.2015; 31.12.2014 and 31.12.2013: 25%) of the estimated taxable profit for the fiscal year.

Tax expense for other taxation authorities is calculated at the rates prevailing in those respective jurisdictions.

13. ACCOUNTANTS' REPORT (Cont'd)

10. TAX EXPENSE (continued)

A numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group are as follows:

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
Tax at Malaysian statutory tax rate of 24% (31.8.2015: 25%; 31.12.2015: 25%; 31.12.2014: 25% and 31.12.2013: 25%)	3,084,973	2,817,098	4,239,654	5,283,150	3,825,615
Tax effects in respect of:					
Non allowable expenses	398,608	189,139	377,834	213,794	464,206
Non-taxable income	(420,161)	(494,478)	(742,355)	(2,135,595)	(1,472,836)
Differential in tax rates	(80,000)	(100,000)	(100,000)	(100,000)	(78,170)
Movement of deferred tax	(6,439)	(6,467)	(20,346)	(35,373)	(28,748)
RPGT	-	-	(11,652)	390,883	-
	2,976,981	2,405,292	3,743,135	3,616,859	2,710,067
(Over)/Under-provision in prior years	(299,637)	162,204	189,740	(62,821)	-
	<u>2,677,344</u>	<u>2,567,496</u>	<u>3,932,875</u>	<u>3,554,038</u>	<u>2,710,067</u>

A subsidiary of the Company is an approved BioNexus status company and has been granted 100% income tax exemption on the statutory income for a period of 10 years under the Income Tax (Exemption) (No.17) Order 2007 effective from 23 July 2007.

13. ACCOUNTANTS' REPORT (Cont'd)

11. DIVIDENDS

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
Interim dividend in respect of financial year ended 31 December 2013	-	-	-	-	9,922,508
Interim dividend in respect of financial year ended 31 December 2014	-	-	-	20,592,043	-
Interim dividend in respect of financial year ended 31 December 2015	-	-	1,500,000	-	-
	-	-	1,500,000	20,592,043	9,922,508

12. EMPLOYEE BENEFITS

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
Wages, salaries and bonuses	5,713,721	5,025,106	7,888,246	6,144,856	5,215,291
Contributions to defined contribution plan	763,306	599,690	1,048,418	911,418	766,435
Social security contributions	39,974	34,159	51,656	46,627	42,409
	6,517,001	5,658,955	8,988,320	7,102,901	6,024,135

13. ACCOUNTANTS' REPORT (Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT

31.8.2016	Balance as at 1.1.2016 RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial period RM	Balance as at 31.8.2016 RM
Carrying amount						
Leasehold land	10,018,274	-	-	-	(120,384)	9,897,890
Freehold land	8,356,111	-	-	-	-	8,356,111
Leasehold buildings	1,706,623	-	-	-	(29,635)	1,676,988
Renovations	33,121	-	-	-	(7,362)	25,759
Motor vehicles	659,959	78,985	-	-	(198,128)	540,816
Office and computer equipment	309,792	33,942	(4,800)	-	(73,843)	265,091
Laboratory equipment	1,347,932	579,459	-	-	(239,375)	1,688,016
Furniture and fittings	90,942	1,260	-	-	(18,947)	73,255
GMP plant and equipment	1,047,909	-	-	(900)	(204,811)	842,198
Product applicator and vaccination equipment	66,034	2,370	-	-	(11,569)	56,835
	23,636,697	696,016	(4,800)	(900)	(904,054)	23,422,959
31.8.2016						
Leasehold land	10,742,286				(844,396)	9,897,890
Freehold land	8,356,111				-	8,356,111
Leasehold buildings	1,884,744				(207,756)	1,676,988
Renovations	4,135,312				(4,109,553)	25,759
Motor vehicles	1,561,124				(1,020,308)	540,816
Office and computer equipment	1,600,714				(1,335,623)	265,091
Laboratory equipment	4,381,113				(2,693,097)	1,688,016
Furniture and fittings	461,508				(388,253)	73,255
GMP plant and equipment	3,070,502				(2,228,304)	842,198
Product applicator and vaccination equipment	87,558				(30,723)	56,835
	36,280,972				(12,858,013)	23,422,959

13. ACCOUNTANTS' REPORT (Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Balance as at 1.1.2015 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2015 RM
Carrying amount				
Leasehold land	10,299,100	-	(280,826)	10,018,274
Freehold land	3,070,000	5,286,111	-	8,356,111
Leasehold buildings	1,751,081	-	(44,458)	1,706,623
Renovations	44,161	-	(11,040)	33,121
Motor vehicles	558,731	383,790	(282,562)	659,959
Office and computer equipment	326,834	100,344	(117,386)	309,792
Laboratory equipment	1,715,964	3,298	(371,330)	1,347,932
Furniture and fittings	118,111	1,261	(28,430)	90,942
GMP plant and equipment	1,335,459	19,800	(307,350)	1,047,909
Product applicator and vaccination equipment	-	85,188	(19,154)	66,034
	19,219,441	5,879,792	(1,462,536)	23,636,697
31.12.2015				
Leasehold land	10,742,286		(724,012)	10,018,274
Freehold land	8,356,111		-	8,356,111
Leasehold buildings	1,884,744		(178,121)	1,706,623
Renovations	4,135,312		(4,102,191)	33,121
Motor vehicles	1,482,139		(822,180)	659,959
Office and computer equipment	1,591,507		(1,281,715)	309,792
Laboratory equipment	3,801,654		(2,453,722)	1,347,932
Furniture and fittings	460,248		(369,306)	90,942
GMP plant and equipment	3,073,502		(2,025,593)	1,047,909
Product applicator and vaccination equipment	85,188		(19,154)	66,034
	35,612,691		(11,975,994)	23,636,697
Cost				
Leasehold land	10,742,286			10,018,274
Freehold land	8,356,111			8,356,111
Leasehold buildings	1,884,744			1,706,623
Renovations	4,135,312			33,121
Motor vehicles	1,482,139			659,959
Office and computer equipment	1,591,507			309,792
Laboratory equipment	3,801,654			1,347,932
Furniture and fittings	460,248			90,942
GMP plant and equipment	3,073,502			1,047,909
Product applicator and vaccination equipment	85,188			66,034
	35,612,691			23,636,697

13. ACCOUNTANTS' REPORT (Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Balance as at 1.1.2014 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2014 RM
Carrying amount				
Leasehold land	10,346,247	-	(47,147)	10,299,100
Freehold land	3,070,000	-	-	3,070,000
Leasehold buildings	1,795,539	-	(44,458)	1,751,081
Renovations	1	55,200	(11,040)	44,161
Motor vehicles	70,512	742,000	(253,781)	558,731
Office and computer equipment	282,055	149,018	(104,239)	326,834
Laboratory equipment	1,922,514	164,980	(371,530)	1,715,964
Furniture and fittings	86,171	63,360	(31,420)	118,111
GMP plant and equipment	1,556,260	84,570	(305,371)	1,335,459
	<u>19,129,299</u>	<u>1,259,128</u>	<u>(1,168,986)</u>	<u>19,219,441</u>
31.12.2014				
Leasehold land	10,742,286		(443,186)	10,299,100
Freehold land	3,070,000		-	3,070,000
Leasehold buildings	1,884,744		(133,663)	1,751,081
Renovations	4,135,312		(4,091,151)	44,161
Motor vehicles	1,274,015		(715,284)	558,731
Office and computer equipment	1,527,922		(1,201,088)	326,834
Laboratory equipment	3,798,354		(2,082,390)	1,715,964
Furniture and fittings	458,987		(340,876)	118,111
GMP plant and equipment	3,053,702		(1,718,243)	1,335,459
	<u>29,945,322</u>		<u>(10,725,881)</u>	<u>19,219,441</u>
		Cost RM	Accumulated depreciation RM	Carrying amount RM
Leasehold land		10,742,286	(443,186)	10,299,100
Freehold land		3,070,000	-	3,070,000
Leasehold buildings		1,884,744	(133,663)	1,751,081
Renovations		4,135,312	(4,091,151)	44,161
Motor vehicles		1,274,015	(715,284)	558,731
Office and computer equipment		1,527,922	(1,201,088)	326,834
Laboratory equipment		3,798,354	(2,082,390)	1,715,964
Furniture and fittings		458,987	(340,876)	118,111
GMP plant and equipment		3,053,702	(1,718,243)	1,335,459
		<u>29,945,322</u>	<u>(10,725,881)</u>	<u>19,219,441</u>

13. ACCOUNTANTS' REPORT (Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Balance as at 1.1.2013 RM	Additions RM	Disposals RM	Depreciation charge for the financial year RM	Balance as at 31.12.2013 RM
Carrying amount					
Leasehold land	10,560,000	-	-	(213,753)	10,346,247
Freehold land	3,070,000	-	-	-	3,070,000
Leasehold buildings	1,840,000	-	-	(44,461)	1,795,539
Renovations	1	-	-	-	1
Motor vehicles	171,608	4,460	-	(105,556)	70,512
Office and computer equipment	322,905	72,872	-	(113,722)	282,055
Laboratory equipment	1,882,063	948,181	(553,217)	(354,513)	1,922,514
Furniture and fittings	104,296	9,756	(3,479)	(24,402)	86,171
GMP plant and equipment	1,853,173	-	-	(296,913)	1,556,260
	19,804,046	1,035,269	(556,696)	(1,153,320)	19,129,299
31.12.2013					
Leasehold land			10,742,286	(396,039)	10,346,247
Freehold land			3,070,000	-	3,070,000
Leasehold buildings			1,884,744	(89,205)	1,795,539
Renovations			4,080,112	(4,080,111)	1
Motor vehicles			681,113	(610,601)	70,512
Office and computer equipment			1,378,904	(1,096,849)	282,055
Laboratory equipment			3,633,374	(1,710,860)	1,922,514
Furniture and fittings			395,627	(309,456)	86,171
GMP plant and equipment			2,969,132	(1,412,872)	1,556,260
	28,835,292	(9,705,993)			19,129,299
31.12.2013					
Leasehold land			10,742,286	(396,039)	10,346,247
Freehold land			3,070,000	-	3,070,000
Leasehold buildings			1,884,744	(89,205)	1,795,539
Renovations			4,080,112	(4,080,111)	1
Motor vehicles			681,113	(610,601)	70,512
Office and computer equipment			1,378,904	(1,096,849)	282,055
Laboratory equipment			3,633,374	(1,710,860)	1,922,514
Furniture and fittings			395,627	(309,456)	86,171
GMP plant and equipment			2,969,132	(1,412,872)	1,556,260
	28,835,292	(9,705,993)			19,129,299

13. ACCOUNTANTS' REPORT (Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) During the relevant period/year, the Group made the following cash payments to purchase property, plant and equipment:

	<u>As at</u>		<u>As at</u>	
	31.8.2016	31.12.2015	31.12.2014	31.12.2013
	RM	RM	RM	RM
Carrying Amount				
Purchase of property, plant and equipment	696,016	5,879,792	1,259,128	1,035,269
Financed by hire purchase arrangements	-	(307,000)	(557,000)	-
Cash payments on purchase of property, plant and equipment	<u>696,016</u>	<u>5,572,792</u>	<u>702,128</u>	<u>1,035,269</u>

- (b) The carrying amount of the property, plant and equipment of the Group under hire purchase arrangement at the end of the reporting period are as follows:

	<u>As at</u>		<u>As at</u>	
	31.8.2016	31.12.2015	31.12.2014	31.12.2013
	RM	RM	RM	RM
Carrying Amount				
Motor vehicles	<u>431,583</u>	<u>598,843</u>	<u>466,500</u>	<u>-</u>

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 21.

- (c) As at the end of the reporting period, leasehold land and leasehold buildings with a carrying amount of RM9,897,890 (31.12.2015: RM10,018,274; 31.12.2014: RM10,299,100; 31.12.2013: RM10,346,247) and RM1,676,988 (31.12.2015: RM1,706,623; 31.12.2014: RM1,751,081; 31.12.2013: RM1,795,539) respectively have been charged to a bank for credit facilities granted to the Group as disclosed in Note 21.

13. ACCOUNTANTS' REPORT (Cont'd)

14. COMBINING ENTITIES

Details of the combining entities, all of which are incorporated in Malaysia, are as follows:

Name of combining entities	Date of incorporation	Effective interest in equity			Principal activities
		31.8.2016 %	31.12.2015 %	31.12.2014 %	
Rhone Ma Holdings Berhad	4 November 2014	100%	100%	100%	Investment holding company and involved in the provision of management services.
Rhone Ma Malaysia Sdn. Bhd.	12 September 2000	100%	100%	100%	Marketing, trading, distribution and manufacturing of animal health products and the provision of veterinary advisory services.
Vet Food Agro Diagnostics (M) Sdn. Bhd.	5 October 2001	100%	100%	100%	Provision of diagnostic laboratory analyses and consultation services to the veterinary, agriculture and food industries.
Subsidiaries of Rhone Ma Malaysia Sdn. Bhd.					
Asia-Pacific Special Nutrients Sdn. Bhd.	25 August 2005	100%	100%	100%	Engaged in undertaking research and development activities related to animal health, food safety and agriculture and trading in animal health products.
Link Ingredients Sdn. Bhd.*	25 April 2007	60%	60%	60%	Engaged in distribution and supply of food ingredients.

* The other 40% interest in Link Ingredients Sdn. Bhd. is owned by Lim Ban Keong, the controlling shareholder of the Group throughout the relevant financial period/years. Accordingly, the said entity is regarded as a wholly-owned combining entity of the Group for purpose of the combined financial statements of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)

15. INVESTMENT PROPERTIES

Carrying amount	At beginning of financial year RM	Depreciation charge for the financial year RM	Disposals RM	At end of financial year RM
31.12.2014				
Freehold land and buildings	2,658,161	-	(2,658,161)	-
Leasehold land and buildings	1,312,794	-	(1,312,794)	-
	<u>3,970,955</u>	<u>-</u>	<u>(3,970,955)</u>	<u>-</u>
31.12.2013				
Freehold land and buildings	2,715,948	(57,787)	-	2,658,161
Leasehold land and buildings	2,742,249	(29,172)	(1,400,283)	1,312,794
	<u>5,458,197</u>	<u>(86,959)</u>	<u>(1,400,283)</u>	<u>3,970,955</u>

- (a) Direct operating expenses arising from investment properties generating rental income during the relevant financial years are as follows:

	2014 RM	2013 RM
Repairs and maintenance	12,690	19,310
Quit rent and assessment	1,943	7,884
	<u>14,633</u>	<u>27,194</u>

- (b) The fair value of investment properties of the Group not carried at fair value are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.12.2013				
Freehold land and buildings	-	4,400,000	-	4,400,000
Leasehold land and buildings	-	3,500,000	-	3,500,000
	<u>-</u>	<u>7,900,000</u>	<u>-</u>	<u>7,900,000</u>

13. ACCOUNTANTS' REPORT (Cont'd)

16. OTHER INVESTMENTS

	<u>As at</u> 31.8.2016 RM	<u>31.12.2015</u> RM	<u>As at</u> 31.12.2014 RM	<u>31.12.2013</u> RM
Fair value through profit or loss investment				
- Quoted shares in Malaysia	4,200	4,200	4,200	4,200

Information of fair value hierarchy is disclosed in Note 25(d).

17. DEFERRED TAXATION

(a) The deferred tax assets and liabilities are made up of the following:

	<u>As at</u> 31.8.2016 RM	<u>31.12.2015</u> RM	<u>As at</u> 31.12.2014 RM	<u>31.12.2013</u> RM
As at 1 January	366,308	379,085	444,914	395,450
Recognised in profit or loss (Note 10)	(64,268)	(12,777)	(65,829)	49,464
As at 31 August/31 December	302,040	366,308	379,085	444,914
Presented after appropriate offsetting:				
Deferred tax assets, net	-	-	-	(5,055)
Deferred tax liabilities, net	302,040	366,308	379,085	449,969
	302,040	366,308	379,085	444,914

(b) The components and movements of deferred tax liabilities and assets at the end of the reporting period prior to offsetting are as follows:

Deferred tax liabilities

	<u>As at</u> 31.8.2016 RM	<u>31.12.2015</u> RM	<u>As at</u> 31.12.2014 RM	<u>31.12.2013</u> RM
As at 1 January	366,308	379,085	449,969	395,450
Recognised in profit or loss Property, plant and equipment	(64,268)	(12,777)	(70,884)	54,519
As at 31 August/31 December	302,040	366,308	379,085	449,969

13. ACCOUNTANTS' REPORT (Cont'd)

17. DEFERRED TAXATION (continued)

- (b) The components and movements of deferred tax liabilities and assets at the end of the reporting period prior to offsetting are as follows: (continued)

Deferred tax assets

	As at 31.8.2016 RM	31.12.2015 RM	As at 31.12.2014 RM	31.12.2013 RM
As at 1 January	-	-	5,055	-
Recognised in profit or loss				
Trade receivables	-	-	(5,055)	5,055
As at 31 August/31 December	-	-	-	5,055

- (c) The amount of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	As at 31.8.2016 RM	31.12.2015 RM	As at 31.12.2014 RM	31.12.2013 RM
Trade and other receivables	-	-	-	8,552
Property, plant and equipment	832,295	859,124	940,508	1,073,448
	832,295	859,124	940,508	1,082,000

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profit of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The deductible temporary differences do not expire under current tax legislation.

18. INVENTORIES

	As at 31.8.2016 RM	31.12.2015 RM	As at 31.12.2014 RM	31.12.2013 RM
At cost				
Raw materials	3,165,112	3,576,945	1,034,340	1,720,492
Trading goods	15,064,209	14,592,712	13,243,559	13,370,731
Finished goods	3,057,776	1,395,845	1,102,208	1,481,276
Packaging materials	184,981	205,207	193,674	170,375
	21,472,078	19,770,709	15,573,781	16,742,874

Cost of inventories of the Group recognised as an expense during the financial period/year amounted to RM52,528,978 (31.12.2015: RM69,509,460; 31.12.2014: RM58,150,992; 31.12.2013: RM53,162,948).

13. ACCOUNTANTS' REPORT (Cont'd)

19. TRADE AND OTHER RECEIVABLES

	As at 31.8.2016 RM	31.12.2015 RM	As at 31.12.2014 RM	31.12.2013 RM
Non-current				
Other receivables	-	-	-	1,630,525
Trade receivables				
Third parties	24,689,069	23,147,067	18,434,304	17,596,724
Less: Impairment losses	(219,241)	(219,241)	(537,524)	(817,939)
	24,469,828	22,927,826	17,896,780	16,778,785
Other receivables				
Amounts owing by shareholders	-	-	-	3,197,543
Amount owing by a related party	-	-	-	13,750
Other receivables	2,039,916	1,993,431	2,667,065	135,587
	2,039,916	1,993,431	2,667,065	3,346,880
Loans and receivables	26,509,744	24,921,257	20,563,845	20,125,665
Deposits and prepayments				
Deposits	399,900	399,900	204,443	106,400
Prepayments	2,915,340	2,491,158	1,373,699	2,376,757
	3,315,240	2,891,058	1,578,142	2,483,157
	29,824,984	27,812,315	22,141,987	22,608,822

- (i) Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranged from 30 to 90 days (31.12.2015; 31.12.2014 and 31.12. 2013: 30 to 90 days) from the date of invoice. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.
- (ii) Amounts owing by shareholders represent advances which are interest free, unsecured and payable upon demand in cash and cash equivalents.
- (iii) Amount owing by a related party represents payments on behalf. The amount is interest free, unsecured and payable upon demand in cash and cash equivalents.

13. ACCOUNTANTS' REPORT (Cont'd)

19. TRADE AND OTHER RECEIVABLES (continued)

(iv) The currency exposure profile of receivables are as follows:

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Ringgit Malaysia	25,436,402	23,073,832	20,517,190	21,073,897
EURO	91,260	248,772	3,564	63,284
Hong Kong Dollar	-	-	5,187	5,187
Great Britain Pound	-	-	-	62,678
US Dollar	973,788	1,530,919	37,904	551,144
Singapore Dollar	8,294	67,734	-	-
	<u>26,509,744</u>	<u>24,921,257</u>	<u>20,563,845</u>	<u>21,756,190</u>

(v) The ageing analysis of trade receivables of the Group are as follows:

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Neither past due nor impaired	12,639,431	11,924,524	8,686,159	8,841,863
Past due, not impaired				
1 to 30 days	7,015,722	7,303,948	5,460,260	4,402,061
31 to 60 days	3,497,211	2,832,756	2,427,238	2,374,987
61 to 90 days	927,787	390,437	833,206	648,145
91 to 120 days	195,717	372,568	357,980	229,215
More than 120 days	193,960	103,593	131,937	282,514
	11,830,397	11,003,302	9,210,621	7,936,922
Past due and impaired	219,241	219,241	537,524	817,939
	<u>24,689,069</u>	<u>23,147,067</u>	<u>18,434,304</u>	<u>17,596,724</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Majority of the trade receivables of the Group arise from recurring business with the Group.

Receivables that are past due but not impaired

At the end of the reporting period, majority of the trade receivables of Group are active corporate customers with healthy business relationship, in which the management is of the view that the amounts are recoverable based on payments history. Trade receivables of the Group that are past due but not impaired are unsecured in nature.

13. ACCOUNTANTS' REPORT (Cont'd)

19. TRADE AND OTHER RECEIVABLES (continued)

(v) The ageing analysis of trade receivables of the Group are as follows: (continued)

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

	As at	Individually impaired		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Trade receivables, gross	219,241	219,241	537,524	817,939
Less: Impairment losses	(219,241)	(219,241)	(537,524)	(817,939)
	-	-	-	-

(vi) The reconciliation of movements in the impairment losses of trade receivables is as follows:

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
As at 1 January	219,241	537,524	817,939	954,406
Reversal of impairment loss	-	(83,697)	(95,959)	(126,584)
Write off	-	(234,586)	(184,456)	(9,883)
As at 31 August/31 December	219,241	219,241	537,524	817,939

(vii) Information on the financial risk of trade and other receivables is disclosed in Note 26.

20. CASH AND BANK BALANCES

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Cash and bank balances	9,539,632	10,110,114	6,746,961	3,140,309
Deposits with licensed banks	7,010,000	4,910,000	3,000,000	2,100,000
	16,549,632	15,020,114	9,746,961	5,240,309

13. ACCOUNTANTS' REPORT (Cont'd)**20. CASH AND BANK BALANCES (continued)**

(a) The currency exposure profile of cash and bank balances are as follows:

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Ringgit Malaysia	15,874,191	14,846,472	9,746,961	5,240,309
US Dollar	675,441	173,642	-	-
	<u>16,549,632</u>	<u>15,020,114</u>	<u>9,746,961</u>	<u>5,240,309</u>

(b) Information on financial risk of cash and bank balances is disclosed in Note 26.

(c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Cash and bank balances	9,539,632	10,110,114	6,746,961	3,140,309
Deposits with licensed banks (maturity not more than three months)	7,010,000	4,910,000	3,000,000	2,100,000
	<u>16,549,632</u>	<u>15,020,114</u>	<u>9,746,961</u>	<u>5,240,309</u>

21. BORROWINGS

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Non-current liabilities				
Hire purchase creditors	323,292	436,021	356,171	-
Term loans	3,794,655	4,823,267	2,174,058	3,392,999
	<u>4,117,947</u>	<u>5,259,288</u>	<u>2,530,229</u>	<u>3,392,999</u>
Current liabilities				
Bankers' acceptance	416,496	1,189,162	-	-
Hire purchase creditors	160,697	168,573	124,111	-
Term loans	1,440,481	1,396,557	1,015,839	1,541,864
	<u>2,017,674</u>	<u>2,754,292</u>	<u>1,139,950</u>	<u>1,541,864</u>

13. ACCOUNTANTS' REPORT (Cont'd)

21. BORROWINGS (continued)

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Total borrowings				
Bankers' acceptance	416,496	1,189,162	-	-
Hire purchase creditors	483,989	604,594	480,282	-
Term loans	5,235,136	6,219,824	3,189,897	4,934,863
	<u>6,135,621</u>	<u>8,013,580</u>	<u>3,670,179</u>	<u>4,934,863</u>

- (a) Term loans and bankers' acceptance of the Group are secured by a charge over the leasehold land and leasehold buildings of the Group with a carrying amount of RM9,897,890 (31.12.2015: RM10,018,274; 31.12.2014: RM10,299,100; 31.12.2013: RM10,346,247) and RM1,676,988 (31.12.2015: RM1,706,623; 31.12.2014: RM1,751,081; 31.12.2013: RM1,795,539) respectively as disclosed in Note 13.
- (b) The 2 term loans are repayable in 60 and 120 monthly instalments of RM94,848 and RM44,753 commencing from March 2014 and November 2015 respectively, which are subject to effective rate of interest of 4.75% (31.12.2015: 4.75%; 31.12.2014: 4.40%; 31.12.2013: 4.62%) per annum. There are no fixed repricing periods for these loans.
- (c) The currency exposure profile of borrowings are as follows:

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Ringgit Malaysia	5,719,125	6,824,418	3,670,179	4,934,863
US Dollar	416,496	1,189,162	-	-
	<u>6,135,621</u>	<u>8,013,580</u>	<u>3,670,179</u>	<u>4,934,863</u>

- (d) Information on financial risks of the borrowings and its remaining maturity is disclosed in Note 26.
- (e) Details of hire purchase creditors as follows:

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Minimum hire purchase payments:				
- not later than one (1) year	181,752	195,102	144,804	-
- later than one (1) year but not later than five (5) years	365,317	486,485	394,163	-
Total minimum hire purchase	547,069	681,587	538,967	-
Less: Future interest charges	(63,080)	(76,993)	(58,685)	-
	<u>483,989</u>	<u>604,594</u>	<u>480,282</u>	<u>-</u>

13. ACCOUNTANTS' REPORT (Cont'd)

21. BORROWINGS (continued)

(e) Details of hire purchase creditors as follows: (continued)

	<u>As at</u> 31.8.2016 RM	<u>31.12.2015</u> RM	<u>As at</u> 31.12.2014 RM	<u>31.12.2013</u> RM
Repayable as follows:				
Current liabilities:				
- not later than one (1) year	323,292	168,573	124,111	-
Non-current liabilities:				
- later than one (1) year but not later than five (5) years	<u>160,697</u>	<u>436,021</u>	<u>356,171</u>	<u>-</u>
	<u>483,989</u>	<u>604,594</u>	<u>480,282</u>	<u>-</u>

- (i) Hire purchase of the Group has terms of 5 years with ownership being transferred at the end of the term.
- (ii) Information on financial risks of the hire purchase is disclosed in Note 26.
- (iii) Hire purchase of the Group are secured by a charge over the motor vehicles of the Group with carrying amount of RM431,583 as disclosed in Note 13.

22. TRADE AND OTHER PAYABLES

	<u>As at</u> 31.8.2016 RM	<u>31.12.2015</u> RM	<u>As at</u> 31.12.2014 RM	<u>31.12.2013</u> RM
Current liabilities				
Trade payables				
Third parties	11,965,789	15,715,868	11,299,231	10,276,463
Other payables				
Other payables	662,423	485,663	1,573,864	1,560,476
Accruals	1,398,318	1,410,820	1,657,253	1,309,628
	2,060,741	1,896,483	3,231,117	2,870,104
	<u>14,026,530</u>	<u>17,612,351</u>	<u>14,530,348</u>	<u>13,146,567</u>

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranged from 30 to 90 days (31.12.2015; 31.12.2014 and 31.12.2013: 30 to 90 days) from the date of invoice.

13. ACCOUNTANTS' REPORT (Cont'd)**22. TRADE AND OTHER PAYABLES (continued)**

(b) The currency exposure profile of payables are as follows:

	As at	As at		
	31.8.2016 RM	31.12.2015 RM	31.12.2014 RM	31.12.2013 RM
Ringgit Malaysia	4,247,656	2,513,427	4,555,718	4,272,139
US Dollar	3,753,309	6,257,004	3,755,176	3,553,085
EURO	6,025,565	8,841,920	6,219,454	5,307,298
GBP	-	-	-	14,045
	<u>14,026,530</u>	<u>17,612,351</u>	<u>14,530,348</u>	<u>13,146,567</u>

(c) Information on financial risk of trade and other payables is disclosed in Note 26.

23. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individual or other entities.

Related parties of the Group includes:

- (i) Key management personnel which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.
- (ii) Companies in which Lim Ban Keong, who is a director and also the substantial shareholder of the Group have controlling interest, significant influence or joint control.

(b) Information regarding outstanding balances arising from related party transactions as at 31 December 2013, 31 December 2014, 31 December 2015 and 31 August 2016 were disclosed in Note 19. The Group had the following transactions with related parties during the financial periods/years:

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
Related parties					
Sales of investment properties	-	-	-	3,700,000	3,500,000
Business and market exploratory service	-	-	-	-	918,009
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>918,009</u>

13. ACCOUNTANTS' REPORT (Cont'd)

23. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

- (c) Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of Directors and other key management personnel during the financial periods/years was as follows:

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
Short term employee benefits	562,390	482,840	926,710	807,990	727,932
Contributions to defined contribution plans	96,450	80,010	132,990	118,560	114,525
Social security contributions	1,395	1,239	1,859	1,859	1,911
	<u>660,235</u>	<u>564,089</u>	<u>1,061,559</u>	<u>928,409</u>	<u>844,368</u>

24. OPERATING SEGMENTS

The Group are principally involved in the marketing, trading, distribution and manufacturing of animal health products as well as the distribution and supply of food ingredients. It also involved in the provision of veterinary advisory services, diagnostic laboratory analyses and consultation services to the veterinary, agriculture and food industries as well as undertaking research and development activities related to animal health, food safety and agriculture.

(a) Business segments

The Group's reportable segments were identified as animal health products, food ingredients and others, that are required to be organised and managed separately according to the nature of products and services and specific expertise which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Animal health products

Marketing, trading, distribution and manufacturing of animal health products and undertaking research and development activities related to animal health, food safety and agriculture.

(ii) Food ingredients

Distribution and supply of food ingredients.

(iii) Others

Provision of diagnostic laboratory analyses and consultation services to the veterinary, agriculture and food industries.

13. ACCOUNTANTS' REPORT (Cont'd)

24. OPERATING SEGMENTS (continued)

(a) Business segments (continued)

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the combined financial statements. These policies have been applied consistently throughout the current and previous financial periods/years.

31.8.2016	Animal health products RM	Food ingredients RM	Others RM	Elimination RM	Consolidation RM
Revenue					
External sales	60,199,860	17,089,133	1,845,121	(1,165,326)	77,968,788
Total	<u>60,199,860</u>	<u>17,089,133</u>	<u>1,845,121</u>	<u>(1,165,326)</u>	<u>77,968,788</u>
Results					
Interest expense	146,126	369,130	-	(351,937)	163,319
Interest income	449,053	-	-	(351,937)	97,116
Profit before tax	11,993,513	547,042	313,503	-	12,854,058
Tax expense	(2,482,144)	(103,874)	(91,326)	-	<u>(2,677,344)</u>
Profit for the period					<u>10,176,714</u>
Other information					
Segment assets	84,253,329	10,766,657	3,400,272	(7,046,929)	91,373,329
Segment liabilities	20,816,697	7,014,124	1,152,249	(7,046,929)	21,936,141
Capital expenditure	116,557	-	579,459	-	696,016
Depreciation	791,518	22,537	89,999	-	904,054
Other material non-cash items:					
- Inventories (written back)/written down	<u>(203,325)</u>	<u>128,210</u>	<u>-</u>	<u>-</u>	<u>(75,115)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

24. OPERATING SEGMENTS (continued)

(a) Business segments (continued)

31.8.2015	Animal health products RM	Food ingredients RM	Others RM	Elimination RM	Consolidation RM
Revenue					
External sales	52,213,770	14,693,110	1,811,795	(1,035,363)	67,683,312
Total	52,213,770	14,693,110	1,811,795	(1,035,363)	67,683,312
Results					
Interest expense	95,837	391,532	-	(385,967)	101,402
Interest income	406,509	-	-	(385,967)	20,542
Profit before tax	10,054,676	654,767	558,951	-	11,268,394
Tax expense	(2,305,130)	(113,127)	(149,239)	-	(2,567,496)
Profit for the period					8,700,898
Other information					
Segment assets	68,796,490	11,989,550	2,722,436	(8,538,687)	74,969,789
Segment liabilities	17,375,823	9,110,312	586,712	(8,538,687)	18,534,160
Capital expenditure	520,153	-	3,300	-	523,453
Depreciation	892,393	22,537	84,002	-	998,932

13. ACCOUNTANTS' REPORT (Cont'd)

24. OPERATING SEGMENTS (continued)

(a) Business segments (continued)

31.12.2015	Animal health products RM	Food ingredients RM	Others RM	Elimination RM	Consolidation RM
Revenue					
External sales	83,411,725	22,147,990	2,619,789	(1,443,668)	106,735,836
Total	<u>83,411,725</u>	<u>22,147,990</u>	<u>2,619,789</u>	<u>(1,443,668)</u>	<u>106,735,836</u>
Results					
Interest expense	170,913	632,373	-	(616,059)	187,227
Interest income	655,142	-	-	(616,059)	39,083
Profit before tax	15,210,249	1,228,558	519,810	-	16,958,617
Tax expense	(3,456,107)	(256,791)	(219,977)	-	<u>(3,932,875)</u>
Profit for the year					<u>13,025,742</u>
Other information					
Segment assets	79,223,752	11,105,922	2,773,001	(6,844,222)	86,258,453
Segment liabilities	25,298,489	7,796,557	747,156	(6,844,222)	26,997,980
Capital expenditure	5,876,494	-	3,298	-	5,879,792
Depreciation	1,302,686	33,805	126,045	-	1,462,536
Other material non-cash items:					
- Reversal of impairment losses on trade and other receivables	83,697	-	-	-	83,697
- Inventories written down	87,440	-	-	-	<u>87,440</u>

13. ACCOUNTANTS' REPORT (Cont'd)

24. OPERATING SEGMENTS (continued)

(a) Business segments (continued)

31.12.2014	Animal health products RM	Food ingredients RM	Others RM	Elimination RM	Consolidation RM
Revenue					
External sales	69,388,175	20,610,033	2,147,936	(617,309)	91,528,835
Total	69,388,175	20,610,033	2,147,936	(617,309)	91,528,835
Results					
Interest expense	128,284	548,850	-	(548,850)	128,284
Interest income	566,061	-	3,540	(548,850)	20,751
Profit before tax	19,551,916	839,648	741,038	-	21,132,602
Tax expense	(3,173,335)	(218,381)	(162,322)	-	(3,554,038)
Profit for the year					17,578,564
Other information					
Segment assets	61,743,286	9,915,288	1,949,415	(6,920,000)	66,687,989
Segment liabilities	18,072,165	7,577,690	223,403	(6,920,000)	18,953,258
Capital expenditure	934,298	158,050	166,780	-	1,259,128
Depreciation	1,009,465	33,805	125,716	-	1,168,986
Other material non-cash items:					
- Reversal of impairment losses on trade and other receivables	79,717	8,550	7,692	-	95,959
- Inventories written back	159,228	-	-	-	159,228

13. ACCOUNTANTS' REPORT (Cont'd)

24. OPERATING SEGMENTS (continued)

(a) Business segments (continued)

31.12.2013	Animal health products RM	Food ingredients RM	Others RM	Elimination RM	Consolidation RM
Revenue					
External sales	66,392,160	16,020,057	1,924,267	(621,057)	83,715,427
Total	66,392,160	16,020,057	1,924,267	(621,057)	83,715,427
Results					
Interest expense	97,847	513,157	-	(513,157)	97,847
Interest income	531,580	-	-	(513,157)	18,423
Profit before tax	13,776,882	927,492	598,081	-	15,302,455
Tax expense	(2,359,922)	(210,603)	(139,542)	-	(2,710,067)
Profit for the year					12,592,388
Other information					
Segment assets	65,648,711	10,304,149	1,911,003	(8,474,388)	69,389,475
Segment liabilities	18,364,128	8,587,818	163,707	(8,474,388)	18,641,265
Capital expenditure	87,088	-	948,181	-	1,035,269
Depreciation	1,131,241	-	109,038	-	1,240,279
Other material non-cash items:					
- Reversal of impairment losses on trade and other receivables	137,626	(8,550)	(2,492)	-	126,584
- Inventories written down	119,074	-	-	-	119,074

13. ACCOUNTANTS' REPORT (Cont'd)

25. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group are able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity mix. The overall strategy of the Group remains unchanged from that in FYE 31 December 2013, 31 December 2014, 31 December 2015 and FPE 31 August 2016.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Capital of the Group comprises equity, borrowings and other long term liabilities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the FYE 31 December 2013, 31 December 2014, 31 December 2015 and FPE 31 August 2016.

The Group monitors capital using a gearing ratio, which is net debt divided by equity. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances.

	<u>As at</u>	<u>As at</u>		
	<u>31.8.2016</u>	<u>31.12.2015</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Borrowings (Note 21)	6,135,621	8,013,580	3,670,179	4,934,863
Trade and other payables (Note 22)	14,026,530	17,612,351	14,530,348	13,146,567
Other liabilities	1,773,990	1,372,049	752,731	559,835
Total liabilities	21,936,141	26,997,980	18,953,258	18,641,265
Less: cash and bank balances (Note 20)	<u>(16,549,632)</u>	<u>(15,020,114)</u>	<u>(9,746,961)</u>	<u>(5,240,309)</u>
Net debt	<u>5,386,509</u>	<u>11,977,866</u>	<u>9,206,297</u>	<u>13,400,956</u>
Total capital	69,437,188	59,260,473	47,734,731	50,748,210
Net debt	<u>5,386,509</u>	<u>11,977,866</u>	<u>9,206,297</u>	<u>13,400,956</u>
Equity	<u>74,823,697</u>	<u>71,238,339</u>	<u>56,941,028</u>	<u>64,149,166</u>
Gearing ratio	<u>7%</u>	<u>17%</u>	<u>16%</u>	<u>21%</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

25. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments

	As at 31.8.2016 RM	31.12.2015 RM	As at 31.12.2014 RM	31.12.2013 RM
Financial assets				
<i>Loan and receivables</i>				
Trade and other receivables, net of deposits and prepayments	26,509,744	24,921,257	20,563,845	21,756,190
Cash and bank balances	16,549,632	15,020,114	9,746,961	5,240,309
	<u>43,059,376</u>	<u>39,941,371</u>	<u>30,310,806</u>	<u>26,996,499</u>
<i>Fair value through profit or loss</i>				
Other investments	4,200	4,200	4,200	4,200
Financial liabilities				
<i>Other financial liabilities</i>				
Borrowings	6,135,621	8,013,580	3,670,179	4,934,863
Trade and other payables	14,026,530	17,612,351	14,530,348	13,146,567
	<u>20,162,151</u>	<u>25,625,931</u>	<u>18,200,527</u>	<u>18,081,430</u>

13. ACCOUNTANTS' REPORT (Cont'd)

25. FINANCIAL INSTRUMENTS (continued)**(c) Methods and assumptions used to estimate fair values**

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables and trade and other payables are reasonable approximation of fair values either, due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of borrowings are reasonable approximation of fair value due to the current rates offered to the Group approximate the market rates for similar borrowing of the same remaining maturities.

- (ii) Quoted shares

The fair value of quoted investments in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business at the end of the reporting period.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair values of non-derivative financial liabilities, which are determined for disclosure purposes, are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

13. ACCOUNTANTS' REPORT (Cont'd)

25. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following tables set out the financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
31.8.2016								
Financial assets								
Fair value through profit or loss								
- Other investment	-	-	-	19,665	-	-	19,665	4,200
Financial liabilities								
Other financial liabilities								
- Hire purchase	-	-	-	498,961	-	-	498,961	483,989
31.12.2015								
Financial assets								
Fair value through profit or loss								
- Other investment	-	-	-	19,620	-	-	19,620	4,200
Financial liabilities								
Other financial liabilities								
- Hire purchase	-	-	-	613,840	-	-	613,840	604,594

13. ACCOUNTANTS' REPORT (Cont'd)

25. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following tables set out the financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
31.12.2014								
Financial assets								
Fair value through profit or loss								
- Other investment	-	-	-	12,825	-	-	12,825	4,200
Financial liabilities								
Other financial liabilities								
- Hire purchase	-	-	-	481,063	-	-	481,063	480,282
31.12.2013								
Financial assets								
Fair value through profit or loss								
- Other investment	-	-	-	9,000	-	-	9,000	4,200

13. ACCOUNTANTS' REPORT (Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below:

(i) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one (1) month, extending up to three (3) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

At the end of each reporting period, maximum exposure of the Group to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of each reporting period, approximately 20% (31.12.2015: 18%; 31.12.2014: 22% and 31.12.2013: 23%) of the Group's trade receivables were due from 3 major customers who are located in Malaysia.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 19. Deposits with licensed banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

13. ACCOUNTANTS' REPORT (Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The table below summarises the maturity profile of the liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
31.8.2016				
Financial liabilities				
Trade and other payables	14,026,530	-	-	14,026,530
Borrowings	2,285,126	2,884,432	2,269,943	7,439,501
Total undiscounted financial liabilities	<u>16,311,656</u>	<u>2,884,432</u>	<u>2,269,943</u>	<u>21,466,031</u>
31.12.2015				
Financial liabilities				
Trade and other payables	17,612,351	-	-	17,612,351
Borrowings	3,059,476	3,711,032	2,554,109	9,324,617
Total undiscounted financial liabilities	<u>20,671,827</u>	<u>3,711,032</u>	<u>2,554,109</u>	<u>26,936,968</u>

13. ACCOUNTANTS' REPORT (Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk (continued)

	On demand or within one year RM	One to five years RM	Total RM
31.12.2014			
Financial liabilities			
Trade and other payables	14,530,348	-	14,530,348
Borrowings	1,282,980	2,671,263	3,954,243
Total undiscounted financial liabilities	<u>15,813,328</u>	<u>2,671,263</u>	<u>18,484,591</u>
31.12.2013			
Financial liabilities			
Trade and other payables	13,146,567	-	13,146,567
Borrowings	1,660,714	3,624,093	5,284,807
Total undiscounted financial liabilities	<u>14,807,281</u>	<u>3,624,093</u>	<u>18,431,374</u>

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of Group's financial instruments will fluctuate because of changes in market interest rates.

Exposure of the Group to changes in interest rates relates primarily to the borrowings of the Group. The Group do not use derivative financial instruments to hedge its risk but regularly reviews its debt portfolio to enable it to source low interest funding.

The exposure of interest rate risk on borrowing is low as the Group has minimal floating rate bank borrowing.

13. ACCOUNTANTS' REPORT (Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

	Note	Weighted average effective interest rate %	Within 1 year					Total RM
			RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	
At 31.8.2016								
Fixed rate instrument								
Hire purchase	21	4.6	160,697	168,908	144,355	10,029	-	483,989
Bankers' acceptance	21	4.8	416,496	-	-	-	-	416,496
			<u>1,440,481</u>	<u>676,473</u>	<u>380,781</u>	<u>401,088</u>	<u>422,581</u>	<u>1,913,732</u>
Floating rate instrument								
Term loans	21	4.8	-	-	-	-	-	5,235,136
			<u>1,440,481</u>	<u>676,473</u>	<u>380,781</u>	<u>401,088</u>	<u>422,581</u>	<u>5,235,136</u>
At 31.12.2015								
Fixed rate instrument								
Hire purchase	21	4.6	168,573	163,434	171,645	89,532	11,410	604,594
Bankers' acceptance	21	2.1	1,189,162	-	-	-	-	1,189,162
			<u>1,357,735</u>	<u>163,434</u>	<u>171,645</u>	<u>89,532</u>	<u>11,410</u>	<u>1,742,776</u>
Floating rate instrument								
Term loans	21	4.8	1,396,557	1,401,108	367,840	387,422	408,125	2,258,772
			<u>1,396,557</u>	<u>1,401,108</u>	<u>367,840</u>	<u>387,422</u>	<u>408,125</u>	<u>6,219,824</u>

13. ACCOUNTANTS' REPORT (Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk: (continued)

	Note	Weighted average effective interest rate %	Maturity					Total RM
			Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	
At 31.12.2014								
Fixed rate instrument								
Hire purchase	21	4.5	124,111	110,649	102,526	107,754	35,242	480,282
Floating rate instrument								
Term loans	21	4.4	1,015,839	1,062,341	1,110,973	744	-	3,189,897
At 31 December 2013								
Floating rate instrument								
Term loans	21	4.62	1,541,864	1,178,552	1,060,492	1,109,040	44,915	4,934,863

13. ACCOUNTANTS' REPORT (Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Transactional currency exposures mainly arise from purchases of trading goods and raw materials from overseas.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in USD and EUR exchange rates against the functional currency of the Group, with all other variables held constant.

The sensitivity analysis includes only significant outstanding balances denominated in foreign currencies.

	8-months financial period		Financial years		
	31.8.2016 Audited RM	31.8.2015 Unaudited RM	31.12.2015 Audited RM	31.12.2014 Audited RM	31.12.2013 Audited RM
(Decrease)/Increase Profit after tax					
USD/RM					
- strengthen by 10%	(242,897)	(140,674)	(430,620)	(278,795)	(225,146)
- weaken by 10%	242,897	140,674	430,620	278,795	225,146
EUR/RM					
- strengthen by 10%	(451,007)	(402,031)	(644,486)	(466,192)	(393,301)
- weaken by 10%	451,007	402,031	644,486	466,192	393,301

13. ACCOUNTANTS' REPORT (Cont'd)**27. COMMITMENTS**

(a) Operating lease commitments

The Group as lessee

The Group entered into non-cancellable lease agreements for warehouse, resulting in future rental commitments. The Group has aggregate future minimum lease commitment as at the end of each reporting period as follows:

	As at 31.8.2016 RM	31.12.2015 RM	As at 31.12.2014 RM	31.12.2013 RM
Not later than one (1) year	264,000	288,000	288,000	-
Later than one (1) year and not later than five (5) years	-	168,000	1,008,000	-
	264,000	456,000	1,296,000	-

(b) Capital commitments

	As at 31.8.2016 RM	31.12.2015 RM	As at 31.12.2014 RM	31.12.2013 RM
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided for	5,426,417	-	3,132,511	3,654,596
	5,426,417	-	3,132,511	3,654,596

28. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The Securities Commission Malaysia had via its letter dated 29 August 2016, approved the Company's application for the proposed listing of the ordinary shares of the Company on the Main Market of Bursa Malaysia Securities Berhad.

29. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF REPORTING PERIOD

The Group is seeking to list its shares on the Main Market of Bursa Malaysia Securities Berhad via an initial public offering exercise.

For the purposes of the listing of the ordinary shares of the Company on the Main Market of Bursa Malaysia Securities Berhad, the following agreements were executed:

- (a) Rhone Ma Malaysia Sdn. Bhd. ("Rhone Ma Malaysia"), acquired the:
- (i) Remaining shares in Link Ingredients Sdn. Bhd. ("Link Ingredients") not already owned by Rhone Ma Malaysia for a purchase consideration of RM1,323,746.
 - (ii) Entire equity interest in Vet Food Agro Diagnostics (M) Sdn. Bhd. ("Vet Food Agro Diagnostics") for a purchase consideration of RM2,332,119.

13. ACCOUNTANTS' REPORT (Cont'd)**29. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF REPORTING PERIOD (continued)**

For the purposes of the listing of the ordinary shares of the Company on the Main Market of Bursa Malaysia Securities Berhad, the following agreements were executed: (continued)

- (b) The Company acquired the entire equity interest in the following companies:
- (i) Rhone Ma Malaysia from its existing shareholders for a purchase consideration of RM61,938,999 to be satisfied by the issuance of 123,877,998 new ordinary shares of RM0.50 each of the Company.
 - (ii) Asia-Pacific Special Nutrients Sdn. Bhd. ("Asia-Pacific Special Nutrients") from Rhone Ma Malaysia for a purchase consideration of RM1,000,002.
 - (iii) Link Ingredients from Rhone Ma Malaysia for a purchase consideration of RM250,000.
 - (iv) Vet Food Agro Diagnostics from Rhone Ma Malaysia for a purchase consideration of RM30,000.

Consequently, Rhone Ma Malaysia, Asia-Pacific Special Nutrients, Link Ingredients and Vet Food Agro Diagnostics became wholly-owned subsidiary companies of the Company.

The authorised share capital of the Company increased from RM400,000 to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each prior to completion of the acquisition as stated above.

14. DIRECTORS' REPORT



Rhone Ma Holdings Berhad (1116225-A)

Lot 18A & 18B, Jalan 241, Seksyen 51A, 46100 Petaling Jaya, Selangor, Malaysia.

T +603-7873 7355 F + 603-7873 9209 Email : customercareline@rhonema.com Website : www.rhonema.com

(formerly known as Rhone Ma Holdings Sdn Bhd)

Date: 22 November 2016

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

To : The Shareholders of Rhone Ma Holdings Berhad ("**Rhone Ma Holdings**")

Dear Sirs / Madams,

On behalf of the Board of Directors of Rhone Ma Holdings, I report after due and careful enquiry, that during the period from 31 August 2016 (being the date to which the last audited financial statements of Rhone Ma Holdings and its subsidiaries ("**Group**") have been made) up to the date of this letter (being a date not earlier than fourteen (14) days before the issuance of this Prospectus):

- (a) the business of our Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of our Group, which have adversely affected the trading or the value of the assets of our Group;
- (c) the current assets of our Group appear in the books at values, which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities by reason of any guarantees or indemnities given by our Group;
- (e) since the last audited financial statements of our Group, there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and / or principal sums in relation to any borrowings in, which we are aware of; and
- (f) since the last audited financial statements of our Group, save as disclosed in the Accountants' Report enclosed in this Prospectus, there has been no material changes in the published reserves or any unusual factors affecting the profits of our Group.

Yours faithfully

For and on behalf of the Board of Directors of
RHONE MA HOLDINGS BERHAD

LIM BAN KEONG
Group Managing Director



Products
Services
Solutions

Total Solution Provider™

15. VALUATION CERTIFICATES



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref: HB/SEL/8816/03/0254/Wdy-002

April 25, 2016

The Board of Directors
M/S RHONE MA MALAYSIA SDN BHD
Lot 18A & 18B, Jalan 241
Seksyen 51A
46100 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

CERTIFICATE OF VALUATION OF A WAREHOUSE COMPLEX KNOWN AS LOT 18A, JALAN 241, SEKSYEN 51A, 46100 PETALING JAYA, SELANGOR DARUL EHSAN ("SUBJECT PROPERTY").

We were instructed by Rhone Ma Malaysia Sdn Bhd ("Rhone Ma Malaysia") to conduct a valuation of the Subject Property. The full details of the valuation are included in our Valuation Report bearing reference no. HB/SEL/8816/03/0254/Wdy-002 dated April 25, 2016.

This certificate has been prepared for inclusion in the Prospectus of Rhone Ma Holdings Berhad in conjunction with the proposed listing of Rhone Ma Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing").

The Subject Property was inspected and referenced on March 28, 2016. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. March 28, 2016.

The valuation had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia.

The basis of valuation is the Market Value which is defined by the Malaysian Valuation Standards to be "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

HENRY BUTCHER MALAYSIA (SEL) Sdn Bhd (495503-K)

No. 36-1, 2 & 3, Jalan SS 15/4D, 47500 Subang Jaya, Selangor, Malaysia.

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Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



V (1) 0008

15. VALUATION CERTIFICATES (Cont'd)

Terms of Reference

We were verbally informed by Rhone Ma Malaysia that the Subject Property was acquired from a third party in 2006 and the Certificate of Fitness of Occupation (“CFO”) for the Subject Property was not provided by the previous owner.

Some renovations and extension were constructed by Rhone Ma Malaysia in year 2007. This renovations and extensions has been approved by Majlis Bandaraya Petaling Jaya (“MBPJ”) and issued with a CFO vide Certificate No. SP 05351 on April 24, 2008 based on the approved building plan bearing reference no. MPPJ/PJB/BP 838/77 Jld.1 (1M-Q & 10G-K).

On May 29, 2015, the building plan has been approved by the MBPJ vide approved building plan No. 8(K-V) and Ar. Lin You Nan has issued a new Certificate of Completion and Compliance (“CCC”) bearing Certificate No. LAM/S/No. 3291 for the entire building on June 8, 2015.

The brief description of the Subject Property and our opinion of the current Market Value are as follows: -

Property Description

- Property Type/
Interests Valued : An individual-designed warehouse complex
- Address of the
Subject Property : Lot 18A, Jalan 241, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan.
- Location : The Subject Property is located at Jalan 241 within Section 51A, Petaling Jaya, which is approximately 16 kilometres due south-west of Kuala Lumpur City Centre and is about 1.5 kilometres due north-west to Petaling Jaya town centre. It is accessible from Kuala Lumpur City Centre via Federal Highway, Persiaran PP Narayanan, Jalan 225 and finally onto Jalan 241 leading to the Subject Property.
- Site : The land is near trapezoidal in shape encompassing a surveyed land area of 2,516 square metres (27,082 square feet or 0.6217 acre). It has a total frontage of about 35.95 metres (118 feet) onto Jalan 241 and a maximum depth of approximately 71.48 metres (235 feet). The physical terrain of the land is generally flat and lies about the level of the frontage road.
- Age of Building : About 41 years (we have been informed by Rhone Ma Malaysia that the Subject Property was constructed and completed about 41 years ago).

15. VALUATION CERTIFICATES (Cont'd)

Building Description : The building erected thereon comprises of main buildings (a three (3) storey office building cum a single storey factory annexed) and ancillary buildings (a guardhouse and a pump house). The total gross floor area of the Subject Property is estimated at 1,192.51 square metres (12,836 square feet).

The three (3) storey office building is constructed of reinforced concrete framework with plastered brickwalls support a pitched roof covered with metal deck on timber trusses and rafters. The approximate gross floor area of the building is estimated at 416.95 square metres (4,488 square feet).

The single storey warehouse is constructed of reinforced concrete framework supporting a pitched roof on steel trusses. The pitched roof is covered with non-reflective colorbond metal deck roofing sheets insulated with double sided aluminium foil on chicken wire mesh. The walls are partly of plastered brickwalls and partly of metal deck sheets incorporated with fixed aluminium framed glass panel.

The height to eaves of the warehouse is approximately 8.53 metres (28 feet) and the warehouse has a span of about 18.29 metres (60 feet). The total gross floor area of the warehouse is estimated at 764.31 square metres (8,227 square feet).

The ancillary buildings which include a guardhouse and a pump house are constructed of reinforced concrete framework supporting a pitched roof covered with corrugated asbestos sheet on timber trusses and rafters. These ancillary buildings have a total gross floor area of 11.25 square metres (121 square feet).

Existing Use of the Subject Property : Owner occupied

15. VALUATION CERTIFICATES (Cont'd)

Title Particulars

Title No. : PN 33666, Lot 603 Seksyen 32, Bandar Petaling Jaya, District of Petaling, State of Selangor

Tenure : Leasehold 99 years expiring on September 2, 2072.
The remaining unexpired term is about 56 years.

Category of land use : "Perusahaan"

Surveyed Land Area : 2,516 square metres

Registered Owner : Rhone Ma Malaysia

Planning Approvals

Planning Approval : The Subject Property is situated within an area designated for industrial purposes.

15. VALUATION CERTIFICATES (Cont'd)

We have adopted the "Cost Method" and "Investment Method" in formulating our opinion of the current Market Value of the Subject Property.

Cost Method

The "Cost Method" is a valuation method, which is based on an estimate of the current Market Value of land for its existing use, plus the current gross replacement cost of improvements less allowances for physical deterioration and all relevant forms of obsolescence and optimisation.

In arriving at our opinion of value, we have taken into consideration amongst others, the following transactions which were extracted from Department of Property Valuation and Services (JPPH): -

	Comparable 1	Comparable 2	Comparable 3
Property	No. 7, Jalan 243, Seksyen 51A, 46100 Petaling Jaya	No. 2, Jalan Penchala, Seksyen 51, 46100 Petaling Jaya	No. 2A, Jalan 206, Seksyen 51, 46100 Petaling Jaya
Land Area	1.0017 acres (43,635 square feet)	1.0000 acre (43,559 square feet)	0.9569 acre (41,681 square feet)
Type	Individual-designed factory complex	Individual-designed factory complex	Individual-designed factory complex
Gross Built-up Area	30,000 square feet	20,000 square feet	16,000 square feet
Tenure	Leasehold expiring on March 19, 2072	Leasehold expiring on June 13, 2066	Leasehold expiring on June 30, 2067
Date of Transaction	December 27, 2013	July 2, 2013	January 9, 2013
Consideration	RM9,800,000.00	RM8,500,000.00	RM7,000,500.00
Building Cost (per square foot)	RM140.00	RM140.00	RM100.00
Building Depreciation	70%	70%	70%
Land Value (per square foot)	RM195.71	RM175.85	RM156.44
Adjusted Land Value (per square foot)	RM195.71	RM193.44	RM172.08
Remarks on Adjusted Value	No adjustment made	Adjustment made on location factor	

Note:

- References to other contractors revealed that the current construction cost of similar building was in the range of RM120.00 per square foot to RM150.00 per square foot. Based on the Juru Ukur Bahan Malaysia and Langdon Seah's Construction Cost Handbook 2015, the construction cost for a single storey conventional factory of structural steelwork ranges between RM125.97 per square foot to RM158.21 per square foot. We have incorporated the factors of building specifications such as floor finishes, eaves height, roof, floor loading capacity etc. in the adjustment. We have also taken into consideration the adjustment on the time factor and the renovation cost occurred to upgrade the subject building. Therefore, it is in our opinion that after the adjustment, the construction cost before depreciation for the building of RM140.00 per square foot was adopted.

15. VALUATION CERTIFICATES (Cont'd)

2. Comparable 1 is an individual-designed factory complex which comprises of a double storey office building with a single storey factory annexed and a guard house. The condition of the building was in a fair state of repair and condition.

Comparable 2 is an individual-designed factory complex which comprises of a double storey office building with a single storey factory annexed. The condition of the building was in a fair state of repair and condition.

Comparable 3 is an individual-designed factory building which comprises of a single storey factory and tenanted to multiple tenants. The condition of the building was in a fair state of repair and condition.

Therefore, after taking into consideration of both building specifications and the condition of the buildings, the following rate is adopted: -

Item	Comparable 1	Comparable 2	Comparable 3
Building Construction Cost Before Depreciation	RM140 per square foot	RM140 per square foot	RM100 per square foot
Building Depreciation	70%	70%	70%
Building Construction Cost After Depreciation	RM42 per square foot	RM42 per square foot	RM30 per square foot

3. We have adopted RM196.00 per square foot for the valuation calculation based on the facts that we are in the opinion that Comparable 1 is the best evidence as the design of Comparable 1 is similar to the Subject Property and is about 200 metre away from the Subject Property.

Investment Method

In "Investment Method", the capital value is derived from an estimate of the Market Rental, which the Subject Property can reasonably be let for. Outgoings, such as property tax, repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is capitalised at an appropriate current market yield to arrive at its indicative capital value.

We noted that there is no concluded rental in the Department of Property Valuation and Services (JPPH) record. However, our verbal checking with the local real estate agents revealed that the asking rentals of individual-designed factory/warehouse complexes located within Petaling Jaya are in the range of RM1.80 per square foot to RM2.20 per square foot. We have adopted the following parameters for the Investment Method:-

Item	Amount	Remarks
Rental	RM2.00 per square foot	The asking rental was about RM2.10 per square foot. An allowance of RM0.10 per square foot is allocated for negotiation.
Gross Lettable Area	12,715 square feet	The gross lettable area adopted for the Subject Property is estimated 12,715 square feet based on our calculation excluding the ancillary buildings.

15. VALUATION CERTIFICATES (Cont'd)

Item	Amount	Remarks												
Void	10%	We have allocated a void factor of 10% to accommodate the vacant and/or rent free period during the transition of exchanging tenant.												
Monthly Outgoing	RM0.24 per square foot	The monthly outgoing cost per square foot for the Subject Property in year 2013, 2014 and 2015 are RM0.23, RM0.25 and RM0.24 respectively. We had adopted RM0.24 per square foot in the calculation of monthly outgoings to accommodate for other unexpected cost.												
Capitalisation Rate	6.0%	<p>The following data were referred for the estimation of yield.</p> <table border="1"> <thead> <tr> <th>Property</th> <th>Consideration</th> <th>Monthly Rental</th> <th>Analysed Net Yield</th> </tr> </thead> <tbody> <tr> <td>Jalan BP 4/1, Bandar Bukit Puchong, Puchong, Selangor Darul Ehsan (Property 1)</td> <td>RM11,000,000.00</td> <td>RM60,000.00 (on 15,360 square feet)</td> <td>6.21%</td> </tr> <tr> <td>Jalan Astaka U8/84, Bukit Jelutong, Shah Alam, Selangor Darul Ehsan (Property 2)</td> <td>RM40,000,000.00</td> <td>RM150,000.00 (on 101,477 square feet or 68% of total lettable area)</td> <td>5.45%</td> </tr> </tbody> </table> <p>The analysis of the above data shows that the net yields ranged from 5.45% to 6.21%. The age of the building for Property 1 is about 14 years, which is newer than the Subject Property and the rented floor area of the Property 1 is about the same as the Subject Property. Therefore, the analysed net yield of the Property 1 should be higher than the Subject Property.</p> <p>The rented floor area of Property 2 is at 101,477 square feet which is about 4 to 5 times bigger than the lettable area of the Subject Property and the age of building for Property 2 is approximately 10 years. Therefore, the analysed net yield of the Property 2 should be lower than the Subject Property.</p> <p>After taking into consideration of the age of the building and the rented floor area, we are of the opinion that the net yield of 6.0% is reasonable for this valuation.</p>	Property	Consideration	Monthly Rental	Analysed Net Yield	Jalan BP 4/1, Bandar Bukit Puchong, Puchong, Selangor Darul Ehsan (Property 1)	RM11,000,000.00	RM60,000.00 (on 15,360 square feet)	6.21%	Jalan Astaka U8/84, Bukit Jelutong, Shah Alam, Selangor Darul Ehsan (Property 2)	RM40,000,000.00	RM150,000.00 (on 101,477 square feet or 68% of total lettable area)	5.45%
Property	Consideration	Monthly Rental	Analysed Net Yield											
Jalan BP 4/1, Bandar Bukit Puchong, Puchong, Selangor Darul Ehsan (Property 1)	RM11,000,000.00	RM60,000.00 (on 15,360 square feet)	6.21%											
Jalan Astaka U8/84, Bukit Jelutong, Shah Alam, Selangor Darul Ehsan (Property 2)	RM40,000,000.00	RM150,000.00 (on 101,477 square feet or 68% of total lettable area)	5.45%											
Sinking Fund	4.0%	Sinking fund used for painting or repainting any part of the common property, acquisition of any movable property for use in relation with the common property, the renewal or replacement of any fixtures or fitting or any other expenditure. Taking into consideration of the Subject Property, we have adopted 4.00% in our report of valuation.												

15. VALUATION CERTIFICATES (Cont'd)**Reconciliation of Value**

The market value from both methods of valuation and the reconciliation rationale are as follows:-

Cost Method : RM6,200,000.00

Investment Method : RM3,700,000.00

Conclusion

In this valuation, we have adopted figures derived from the Cost Method and used the Investment Method as a cross check method.

We are of the opinion that the Cost Method is a more appropriate method as this approach is referring to the current construction cost that is required to build a similar building less allowances for physical deterioration and all relevant forms of obsolescence and optimisation.

The Investment Method involves the conversion of an income flow from property into an appropriate capital sum. The assessment of a rental value is therefore an important process and a reasonably accurate estimate is therefore vital. The lack of concluded rental evidences have resulted us to depend on asking rental to arrive at the notional income flow. Hence, these factors reduce the accuracy of the Investment Method as compared to the Cost Method in terms of the value in this exercise.

Taking into consideration all the relevant factors, we are of the opinion that the current Market Value of the unencumbered interest in the Subject Property in its existing physical condition and with the benefit of vacant possession is: -

Market Value - RM6,200,000.00 (Ringgit Malaysia: Six Million and Two Hundred Thousand Only)

Yours faithfully,

HENRY BUTCHER MALAYSIA (SEL) SDN. BHD.

Sr TEW KOK HUAT
B.Surv., MRIS(M), APEPS
Registered Valuer (V-481)

15. VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref: HB/SEL/8816/03/0255/Wdy-003

April 25, 2016

The Board of Directors
M/S RHONE MA MALAYSIA SDN BHD
Lot 18A & 18B, Jalan 241
Seksyen 51A
46100 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

CERTIFICATE OF VALUATION OF A WAREHOUSE COMPLEX KNOWN AS LOT 18B, JALAN 241, SEKSYEN 51A, 46100 PETALING JAYA, SELANGOR DARUL EHSAN ("SUBJECT PROPERTY").

We were instructed by Rhone Ma Malaysia Sdn Bhd ("Rhone Ma Malaysia") to conduct a valuation of the Subject Property. The full details of the valuation are included in our Valuation Report bearing reference no. HB/SEL/8816/03/0255/Wdy-003 dated April 25, 2016.

This certificate has been prepared for inclusion in the Prospectus of Rhone Ma Holdings Berhad in conjunction with the proposed listing of Rhone Ma Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing").

The Subject Property was inspected and referenced on March 28, 2016. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. March 28, 2016.

The valuation had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia.

The basis of valuation is the Market Value which is defined by the Malaysian Valuation Standards to be "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

HENRY BUTCHER MALAYSIA (SEL) Sdn Bhd (495503-K)

No. 36-1, 2 & 3, Jalan SS 15/4D, 47500 Subang Jaya, Selangor, Malaysia.

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Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



15. VALUATION CERTIFICATES (Cont'd)**Terms of Reference**

We were verbally informed by Rhone Ma Malaysia that the Subject Property was acquired from a third party in 2002 and the Certificate of Fitness of Occupation ("CFO") for the Subject Property was not provided by the previous owner.

Several renovations and extensions have been conducted by Rhone Ma Malaysia and the details are as follows:-

- i. In year 2003, an extension measuring about 1,240 square feet was constructed at the first floor of the three (3) storey office building. This extension has been issued with a CFO by Majlis Bandaraya Petaling Jaya ("MBPJ") vide Certificate No. 08955 on December 28, 2004 based on approved building plan bearing reference no. MPPJ/530/S/P10/672/2003.
- ii. In year 2008, an extension measuring approximately 2,480 square feet was constructed at the first floor of the three (3) storey office building. This extension and renovation have been issued with a Certificate of Completion and Compliance ("CCC") by Ar. Lin You Nan vide Certificate No. LAM/S/No.0580 on May 28, 2009 based on the approved building plan bearing reference no. MBPJ/120100/T/P10/620/08.
- iii. In year 2010, Rhone Ma Malaysia had renovated and increased the height of the roofing at the single storey warehouse and constructed an additional first floor measuring about 4,340 square feet and part of the ground floor to accommodate a double storey Good Manufacturing Practice Plant Area. These renovations and extensions have been issued with CCC vide Certificate No. LAM/S/No.3289 by Ar. Lin You Nan dated May 15, 2013 based on the approved building plan bearing reference no. MBPJ/120100/T/P10/1330/10.

On May 29, 2015, the building plan has been approved by the MBPJ vide approved building plan No. 8(K-V) and Ar. Lin You Nan has issued a new CCC bearing Certificate No. LAM/S/No. 3291 for the entire building on June 8, 2015.

The brief description of the Subject Property and our opinion of the current Market Value are as follows: -

Property Description

- | | |
|------------------------------------|--|
| Property Type/
Interests Valued | : An individual-designed warehouse complex |
| Address of the
Subject Property | : Lot 18B, Jalan 241, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan. |
| Location | : The Subject Property is located at Jalan 241 within Section 51A, Petaling Jaya, which is approximately 16 kilometres due south-west of Kuala Lumpur City Centre and is about 1.5 kilometres due north-west to Petaling Jaya town centre. It is accessible from Kuala Lumpur City Centre via Federal Highway, Persiaran PP Narayanan, Jalan 225 and finally onto Jalan 241 leading to the Subject Property. |

15. VALUATION CERTIFICATES (Cont'd)

Site : The land is near trapezoidal in shape encompassing a surveyed land area of 2,516 square metres (27,082 square feet or 0.6217 acre). It has a total frontage of about 32.61 metres (107 feet) onto Jalan 241 and a maximum depth of approximately 98.45 metres (323 feet). The physical terrain of the land is generally flat and lies about the level of the frontage road.

Age of Building : About 41 years (we have been informed by Rhone Ma Malaysia that the Subject Property was constructed and completed about 41 years ago).

Building Description : The building erected thereon consists of main buildings (a three (3) storey office building cum a single storey warehouse annexed) and ancillary buildings (a guardhouse and a pump house). The total gross floor area of the Subject Property is estimated at 2,320.87 square metres (24,982 square feet).

The three (3) storey office building is constructed of reinforced concrete framework with plastered brickwalls support a reinforced concrete flat roof with water proofing membrane. We noted during our inspection that the rear portion at the ground floor has been used as laboratory area. The approximate gross floor area of the building is estimated at 1,071.36 square metres (11,532 square feet).

This single storey warehouse is constructed of reinforced concrete framework supporting a pitched roof on steel trusses. The pitched roof is covered with non-reflective colorbond metal deck roofing sheets insulated with double sided aluminium foil on chicken wire mesh. The walls are partly of plastered brickwalls and partly of metal deck sheets. This warehouse has a span of 18.90 metres (about 62 feet).

The single storey warehouse comprises two (2) main portions which are double storey Good Manufacturing Practice Plant Area and warehouse area. These two portions are separated by a lorry driveway. The total gross floor area of the warehouse is estimated at 1,237.47 square metres (13,320 square feet).

The ancillary buildings which include a guardhouse and a pump house are constructed of reinforced concrete framework supporting a pitched roof covered with corrugated asbestos sheet on timber trusses and rafters. These ancillary buildings have a total gross floor area of 12.04 square metres (130 square feet).

Existing Use of the Subject Property : Owner occupied.

15. VALUATION CERTIFICATES (Cont'd)

Title Particulars

Title No. : PN 33667, Lot 604 Seksyen 32, Bandar Petaling Jaya, District of Petaling, State of Selangor

Tenure : Leasehold 99 years expiring on September 2, 2072.
The remaining unexpired term is about 56 years.

Category of land use : "Perusahaan"

Surveyed Land Area : 2,516 square metres

Registered Owner : Rhone Ma Malaysia

Planning Approvals

Planning Approval : The Subject Property is situated within an area designated for industrial purposes.

15. VALUATION CERTIFICATES (Cont'd)

We have adopted the "Cost Method" and "Investment Method" in formulating our opinion of the current Market Value of the Subject Property.

Cost Method

The "Cost Method" is a valuation method, which is based on an estimate of the current Market Value of land for its existing use, plus the current gross replacement cost of improvements less allowances for physical deterioration and all relevant forms of obsolescence and optimisation.

In arriving at our opinion of value, we have taken into consideration amongst others, the following transactions which were extracted from Department of Property Valuation and Services (JPPH): -

	Comparable 1	Comparable 2	Comparable 3
Property	No. 7, Jalan 243, Seksyen 51A, 46100 Petaling Jaya	No. 2, Jalan Penchala, Seksyen 51, 46100 Petaling Jaya	No. 2A, Jalan 206, Seksyen 51, 46100 Petaling Jaya
Land Area	1.0017 acres (43,635 square feet)	1.0000 acre (43,559 square feet)	0.9569 acre (41,681 square feet)
Type	Individual-designed factory complex	Individual-designed factory complex	Individual-designed factory complex
Gross Built-up Area	30,000 square feet	20,000 square feet	16,000 square feet
Tenure	Leasehold expiring on March 19, 2072	Leasehold expiring on June 13, 2066	Leasehold expiring on June 30, 2067
Date of Transaction	December 27, 2013	July 2, 2013	January 9, 2013
Consideration	RM9,800,000.00	RM8,500,000.00	RM7,000,500.00
Building Cost (per square foot)	RM140.00	RM140.00	RM100.00
Building Depreciation	70%	70%	70%
Land Value (per square foot)	RM195.71	RM175.85	RM156.44
Adjusted Land Value (per square foot)	RM195.71	RM193.44	RM172.08
Remarks on Adjusted Value	No adjustment made	Adjustment made on location factor	

Note:

- References to other contractors revealed that the current construction cost of similar building was in the range of RM120.00 per square foot to RM150.00 per square foot. Based on the Juru Ukur Bahan Malaysia and Langdon Seah's Construction Cost Handbook 2015, the construction cost for a single storey conventional factory of structural steelwork ranges between RM125.97 per square foot to RM158.21 per square foot. We have incorporated the factors of building specifications such as floor finishes, eaves height, roof, floor loading capacity etc. in the adjustment. We have also taken into consideration the adjustment on the time factor and the renovation cost occurred to upgrade the subject building. Therefore, it is in our opinion that after the adjustment, the construction cost before depreciation for the building of RM140.00 per square foot was adopted.

15. VALUATION CERTIFICATES (Cont'd)

2. Comparable 1 is an individual-designed factory complex which comprises of a double storey office building with a single storey factory annexed and a guard house. The condition of the building was in a fair state of repair and condition.

Comparable 2 is an individual-designed factory complex which comprises of a double storey office building with a single storey factory annexed. The condition of the building was in a fair state of repair and condition.

Comparable 3 is an individual-designed factory building which comprises of a single storey factory and tenanted to multiple tenants. The condition of the building was in a fair state of repair and condition.

Therefore, after taking into consideration of both building specifications and the condition of the buildings, the following rate is adopted: -

Item	Comparable 1	Comparable 2	Comparable 3
Building Construction Cost Before Depreciation	RM140 per square foot	RM140 per square foot	RM100 per square foot
Building Depreciation	70%	70%	70%
Building Construction Cost After Depreciation	RM42 per square foot	RM42 per square foot	RM30 per square foot

3. We have adopted RM196.00 per square foot for the valuation calculation based on the facts that we are of the opinion that the Comparable 1 is the best evidence as the design of Comparable 1 is similar to the Subject Property and is about 200 metres away from the Subject Property.

Investment Method

In "Investment Method", the capital value is derived from an estimate of the Market Rental, which the Subject Property can reasonably be let for. Outgoings, such as property tax, repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is capitalised at an appropriate current market yield to arrive at its indicative capital value.

We noted that there is no concluded rental in the Department of Property Valuation and Services (JPPH) record. However, our verbal checking with the local real estate agents revealed that the asking rentals of individual-designed factory/warehouse complexes located within Petaling Jaya are in the range of RM1.80 per square foot to RM2.20 per square foot. We have adopted the following parameters for the Investment Method:-

Item	Amount	Remarks
Rental	RM2.00 per square foot	The asking rental was about RM2.10 per square foot. An allowance of RM0.10 per square foot is allocated for negotiation.
Gross Lettable Area	24,852 square feet	The gross lettable area adopted for the Subject Property is estimated 24,852 square feet based on our calculation excluding the ancillary buildings.

15. VALUATION CERTIFICATES (Cont'd)

Item	Amount	Remarks												
Void	10%	We have allocated a void factor of 10% to accommodate the vacant and/or rent free period during the transition of exchanging tenant.												
Monthly Outgoing	RM0.20 per square foot	The monthly outgoing cost per square foot for the Subject Property in year 2013, 2014 and 2015 are RM0.19, RM0.21 and RM0.15 respectively. We had adopted RM0.20 per square foot in the calculation of monthly outgoings to accommodate for other unexpected cost.												
Capitalisation Rate	6.0%	<p>The following data were referred for the estimation of yield.</p> <table border="1"> <thead> <tr> <th>Property</th> <th>Consideration</th> <th>Monthly Rental</th> <th>Analysed Net Yield</th> </tr> </thead> <tbody> <tr> <td>Jalan BP 4/1, Bandar Bukit Puchong, Puchong, Selangor Darul Ehsan (Property 1)</td> <td>RM11,000,000.00</td> <td>RM60,000.00 (on 15,360 square feet)</td> <td>6.21%</td> </tr> <tr> <td>Jalan Astaka U8/84, Bukit Jelutong, Shah Alam, Selangor Darul Ehsan (Property 2)</td> <td>RM40,000,000.00</td> <td>RM150,000.00 (on 101,477 square feet or 68% of total lettable area)</td> <td>5.45%</td> </tr> </tbody> </table> <p>The analysis of the above data shows that the net yields ranged from 5.45% to 6.21%. The age of the building for Property 1 is about 14 years, which is newer than the Subject Property and the rented floor area of the Property 1 is about the same as the Subject Property. Therefore, the analysed net yield of the Property 1 should be higher than the Subject Property.</p> <p>The rented floor area of Property 2 is at 101,477 square feet which is about 4 to 5 times bigger than the lettable area of the Subject Property and the age of building for Property 2 is approximately 10 years. Therefore, the analysed net yield of the Property 2 should be lower than the Subject Property.</p> <p>After taking into consideration of the age of the building and the rented floor area, we are of the opinion that the net yield of 6.0% is reasonable for this valuation.</p>	Property	Consideration	Monthly Rental	Analysed Net Yield	Jalan BP 4/1, Bandar Bukit Puchong, Puchong, Selangor Darul Ehsan (Property 1)	RM11,000,000.00	RM60,000.00 (on 15,360 square feet)	6.21%	Jalan Astaka U8/84, Bukit Jelutong, Shah Alam, Selangor Darul Ehsan (Property 2)	RM40,000,000.00	RM150,000.00 (on 101,477 square feet or 68% of total lettable area)	5.45%
Property	Consideration	Monthly Rental	Analysed Net Yield											
Jalan BP 4/1, Bandar Bukit Puchong, Puchong, Selangor Darul Ehsan (Property 1)	RM11,000,000.00	RM60,000.00 (on 15,360 square feet)	6.21%											
Jalan Astaka U8/84, Bukit Jelutong, Shah Alam, Selangor Darul Ehsan (Property 2)	RM40,000,000.00	RM150,000.00 (on 101,477 square feet or 68% of total lettable area)	5.45%											
Sinking Fund	4.0%	Sinking fund used for painting or repainting any part of the common property, acquisition of any movable property for use in relation with the common property, the renewal or replacement of any fixtures or fitting or any other expenditure. Taking into consideration of the Subject Property, we have adopted 4.00% in our report of valuation.												

15. VALUATION CERTIFICATES (Cont'd)**Reconciliation of Value**

The market value from both methods of valuation and the reconciliation rationale are as follows:-

Cost Method : RM7,300,000.00

Investment Method : RM7,300,000.00

Conclusion

In this valuation, we have adopted figures derived from the Cost Method and used the Investment Method as a cross check method.

We are of the opinion that the Cost Method is a more appropriate method as this approach is referring to the current construction cost that is required to build a similar building less allowances for physical deterioration and all relevant forms of obsolescence and optimisation.

The Investment Method involves the conversion of an income flow from property into an appropriate capital sum. The assessment of a rental value is an important process and a reasonably accurate estimate is therefore vital. The lack of concluded rental evidences have resulted us to depend on asking rental to arrive at the notional income flow. Hence, these factors reduce the accuracy of the Investment Method as compared to the Cost Method in terms of the value in this exercise.

Taking into consideration all the relevant factors, we are of the opinion that the current Market Value of the unencumbered interest in the Subject Property in its existing physical condition and with the benefit of vacant possession is: -

Market Value - RM7,300,000.00 (Ringgit Malaysia: Seven Million and Three Hundred Thousand Only)

Yours faithfully,

HENRY BUTCHER/MALAYSIA (SEL) SDN. BHD.

Sr TEW KOK HUAT
B.Surv., MRIS(M), APEPS
Registered Valuer (V-481)

15. VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref: V/NS/C1989/14/SWH

April 25, 2016

The Board of Directors
M/S RHONE MA MALAYSIA SDN BHD
Lot 18A & 18B, Jalan 241
Seksyen 51A
46100 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

CERTIFICATE OF VALUATION OF AN INDUSTRIAL LAND LOCATED WITHIN NILAI UTAMA ENTERPRISE PARK, NILAI, NEGERI SEMBILAN DARUL KHUSUS HELD UNDER GRN 212778, LOT NO. 16008, BANDAR NILAI UTAMA, DISTRICT OF SEREMBAN, STATE OF NEGERI SEMBILAN ("SUBJECT PROPERTY")

We are instructed by Rhone Ma Malaysia Sdn Bhd ("Rhone Ma Malaysia") to conduct a valuation of the Subject Property. The full details of the valuation are included in our Valuation Report bearing reference no.: V/NS/C1989/14/SWH dated April 25, 2016.

This certificate has been prepared for inclusion in the Prospectus of Rhone Ma Holdings Berhad in conjunction with the proposed listing of Rhone Ma Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad.

The Subject Property was inspected and referenced on March 28, 2016. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. March 28, 2016.

The valuation had been carried out in accordance with the Asset Valuation Guidelines issued by the SC and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia.

The basis of valuation adopted is the Market Value which is as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The brief description of the Subject Property and our opinion of the current Market Value are as follows: -

HENRY BUTCHER MALAYSIA (NS) Sdn Bhd (553971-D)

No. 11, Ground Floor, Jalan Tunku Hassan, 70000 Seremban, Negeri Sembilan, Malaysia.

t • 606-761 8681 (Hunting Line) f • 606-761 8687 e • hbns@henrybutcher.com.my w • www.henrybutcher.com.my

Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



V (1) 0008/9

15. VALUATION CERTIFICATES (Cont'd)

Property Description

- Property Type / Interest Valued : Industrial Land
- Address of the Subject Property : Lot No. 16008, Bandar Nilai Utama, District of Seremban, State of Negeri Sembilan.
- Location : Within Nilai Utama Enterprise Park, an industrial development on former Batang Benar Estate. The subject scheme is about 170.5 hectares (422 acres) in area and located about 25 and 40 kilometres from Seremban and Kuala Lumpur respectively. It can be reached by exiting from Nilai Interchange of North South Expressway ("PLUS"), turning left onto the service roads of Nilai Utama, which leads to the Subject Property.
- Site : Fairly regular in shape encompassing a surveyed land area of approximately 15,359 square metres ("sq. m.") or about 165,323 square feet ("sq. ft."). It is generally flat in terrain and lies level with the frontage road. At the time of inspection, we noted that the land has been overgrown with some trees, bushes and wild vegetation. The compound is not enclosed with any form of fencing. The Subject Property is not improved with any structures.

Title Particulars

- Title No. : GRN 212778, Lot No. 16008, Bandar Nilai Utama, District of Seremban, State of Negeri Sembilan
- Tenure : Term in perpetuity
- Category of land use : Industrial
- Surveyed Land Area : 15,359 sq. m.
- Registered Owner : Rhone Ma Malaysia Sdn Bhd

Planning Approvals

- Planning Approval : Industrial

15. VALUATION CERTIFICATES (Cont'd)

Valuation Methodology

We have adopted the Comparison Method in formulating our opinion of the current Market Value of the Subject Property. Only one method of valuation is adopted in this exercise as the Subject Property has not been developed and has yet to be proposed for any development. As such, other methods such as Cost Method of valuation are not adopted.

The Comparison Method is the market approach of comparing the Subject Property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing the properties, due consideration is given to factors such as location, size, improvements and amenities, time element and other relevant factors to arrive at our opinion of value.

In arriving at our opinion of value, we have taken into consideration amongst others, the following transactions which we extracted from Jabatan Penilaian & Perkhidmatan Harta ("JPPH"):-

Comparables	1	2	3
Lot No.	Lot 10682	Lot 16210	Lot 10615
Location	Arab Malaysian Industrial Park	Nilai 3 Industrial Area	Arab Malaysian Industrial Park
Type	Industrial land	Industrial land	Industrial land
Land Area (sq. m.)	11,045	2,020	12,547
Land Area (acres)	2.7293	0.4992	3.1004
Tenure	Freehold	Freehold	Freehold
Consideration	RM5,825,120	RM1,000,000	RM6,752,739
Remarks	About 1.8 km north of the Subject Property.	About 1.6 km north west of the Subject Property.	About 1.8 km north of the Subject Property.
Date of Transaction	February 17, 2015	June 25, 2014	October 06, 2015
Land Value (per sq. m.)	RM527.40	RM495.05	RM538.20
Land Value (per sq. ft.)	RM49.00	RM45.99	RM50.00
Adjusted Land Value (per sq. m.)	RM425.85	RM399.50	RM459.90
Adjusted Land Value (per sq. ft.)	RM39.56	RM37.11	RM42.73
Remarks on Adjusted Value	Adjustment made on time, location and size.	Adjustment made on time and size.	Adjustment made on time, location and size.

We have adopted the average of the three (3) comparables with the round down land value of about RM425.00 per sq. m. or about RM39.50 per sq. ft.

There are two (2) recent sales in the subject scheme, i.e. Lot 60581 which was transacted on 16/02/2015 at RM18.99 per square feet and Lot 16029, transacted on 29/12/2015 at RM23.94 per square feet.

Lot 60581 is currently built with a commercial building known as Sentral Bazaar. The land has been cleared since end 2013 whilst construction started in 2014. The retail building is expected to be completed end of 2016. We have not considered this sale, which happened on 16/02/2015, as during then the land has been converted to commercial use (Our informal investigation revealed that the land is currently being subject to RM0.63 per square meters, which is commercial land's rate). Due to this discrepancy, we have ignored the sale.

15. VALUATION CERTIFICATES (Cont'd)

For Lot 16029, we have not considered it as well, due to the fact that surrounding leasehold industrial lands are generally transacted in the region of RM20 to RM30 per square feet. Lot 16029, being a "freehold" tenure land, should have command a higher price than the transacted RM23.94 per square feet.

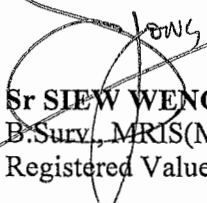
Having considered the above, we are in the opinion that the above 2 transactions, although are quite recent and located within the subject scheme, do not reflect the actual market rate. We have therefore relied sales from the neighbouring industrial scheme such as Arab Malaysian Industrial Park and Nilai 3 Industrial Area.

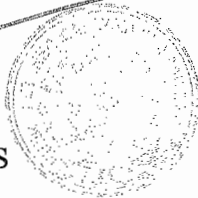
Conclusion

From the above analysis, it is our considered opinion that the current **Market Value** of the unencumbered interest in the Subject Property in its existing physical conditions and with the benefit of vacant possession is: -

Market Value : RM6,500,000.00 (Ringgit Malaysia: Six Million and Five Hundred Thousand Only)

Yours faithfully,
HENRY BUTCHER MALAYSIA (NS) SDN BHD


Sr SIEW WENG HONG
B.Surv., MRIS(M), APEPS
Registered Valuer (V-505)



15. VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref: HB/SEL/8816/03/0256/Wdy-004

April 25, 2016

The Board of Directors
M/S RHONE MA MALAYSIA SDN BHD
Lot 18A & 18B, Jalan 241
Seksyen 51A
46100 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

CERTIFICATE OF VALUATION OF A PARCEL OF VACANT INDUSTRIAL LAND HELD UNDER TITLE NO. HSD 153802, LOT NO. PT 73996, MUKIM OF KAPAR, DISTRICT OF KLANG, STATE OF SELANGOR ("SUBJECT PROPERTY").

We were instructed by Rhone Ma Malaysia Sdn Bhd ("Rhone Ma Malaysia") to conduct a valuation of the Subject Property. The full details of the valuation are included in our Valuation Report bearing reference no. HB/SEL/8816/03/0256/Wdy-004 dated April 25, 2016.

This certificate has been prepared for inclusion in the Prospectus of Rhone Ma Holdings Berhad in conjunction with the proposed listing of Rhone Ma Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing").

The Subject Property was inspected and referenced on March 28, 2016. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. March 28, 2016.

The valuation had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia.

The basis of valuation is the Market Value which is defined by the Malaysian Valuation Standards to be "the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

The brief description of the Subject Property and our opinion of the current Market Value are as follows: -

HENRY BUTCHER MALAYSIA (SEL) Sdn Bhd (495503-K)

No. 36-1, 2 & 3, Jalan SS 15/4D, 47500 Subang Jaya, Selangor, Malaysia.

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Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



15. VALUATION CERTIFICATES (Cont'd)**Property Description**

- Property Type/
Interests Valued : A parcel of vacant industrial land
- Address of the
Subject Property : Title No. HSD 153802, Lot No. PT 73996, Mukim of Kapar, District of
Klang, State of Selangor
- Location : The Subject Property is located within Worldwide iZone, Klang, which
is approximately 50 kilometres due south west of Kuala Lumpur City
Centre and is about 8 kilometres due north west of Klang town centre.
It is easily accessible from Kuala Lumpur City Centre via Federal
Highway, thence turning onto Jalan Kapar, Lorong Sungai Puloh,
Lebuh Bestari and finally onto Jalan Bestari 2 leading to the Subject
Property
- Site : The Subject Property is near rectangular in shape encompassing a
provisional land area of approximately 8,785 square metres (94,560.95
square feet or 2.1708 acres). It has a direct frontage of about 73.48
metres (241 feet) onto Jalan Bestari 2, a splay frontage of
approximately 8.62 metres (28 feet) and a return frontage of about
104.53 metres (343 feet) onto Jalan Bestari 2A. The physical terrain of
the land is generally flat and lies about the level of the frontage roads

Title Particulars

- Title No. : HSD 153802, Lot No. PT 73996, Mukim of Kapar, District of Klang,
State of Selangor
- Tenure : Term in Perpetuity
- Category of land
use : "Perusahaan"
- Provisional Land
Area : 8,785 square metres
- Registered Owner : Cekal Unggul Sdn Bhd

Planning Approvals

- Planning
Approval : The Subject Property is situated within an area designated for industrial
purposes.

15. VALUATION CERTIFICATES (Cont'd)

Valuation Methodology

We have adopted the "Comparison Method" in formulating our opinion of the current Market Value of the Subject Property. Only one (1) method has been adopted in valuing the Subject Property as in our opinion, the Comparison Method is the most appropriate method of valuation to assess the market value of the Subject Property as the Subject Property consists a parcel of vacant industrial land, therefore other methods of valuation are not suitable.

The "Comparison Method" is the market approach of comparing the Subject Property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing the properties, due consideration is given to factors such as location, size, improvements and amenities, time element and other relevant factors to arrive at our opinion of value.

In arriving at our opinion of value, we have taken into consideration amongst others, the following transactions which were extracted from Department of Property Valuation and Services (JPPH): -

	Comparable 1	Comparable 2	Comparable 3
Property	HSD 153104, PT 72850, Mukim of Kapar, District of Klang, State of Selangor	HSD 153078, PT 72824, Mukim of Kapar, District of Klang, State of Selangor	HSD 153105, PT 72851, Mukim of Kapar, District of Klang, State of Selangor
Land Area	2.0505 acres (89,319 square feet)	1.0907 acres (47,512 square feet)	2.0564 acres (89,577 square feet)
Type	Vacant industrial land	Vacant industrial land	Vacant industrial land
Tenure	Freehold	Freehold	Freehold
Date of Transaction	September 28, 2015	August 5, 2015	December 3, 2014
Consideration	RM6,430,961.00	RM3,442,300.00	RM6,270,375.00
Land Value (per square foot)	RM72.00	RM72.45	RM70.00
Adjusted Land Value (per square foot)	RM72.00	RM72.45	RM70.00

We have adopted RM72.00 per square foot to derive at the Market Value of Subject Property. It is in our opinion that the land value of RM72.00 is suitable to be adopted as:

- RM72.00 is close to the average adjusted land value of RM71.48; and
- Comparable 1, 2 and 3 are located within Seri Alam Industrial Park (which is similar to the development of the Subject Property) and adjacent to the Worldwide iZone (where the Subject Property is located).


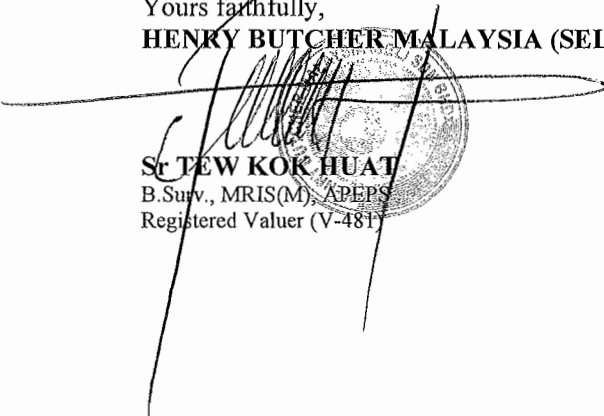
15. VALUATION CERTIFICATES (Cont'd)

Conclusion

Taking into consideration of all relevant factors, we are of the opinion that the current Market Value of the unencumbered interest in the Subject Property in its existing physical condition with the benefit of vacant possession is: -

Market Value - RM6,800,000.00 (Ringgit Malaysia: Six Million and Eight Hundred Thousand Only)

Yours faithfully,
HENRY BUTCHER MALAYSIA (SEL) SDN. BHD.



Sr. TEW KOK HUAT
B.Surv., MRIS(M), APEPS
Registered Valuer (V-481)

16. ADDITIONAL INFORMATION

16.1 Share Capital

- (i) No Shares will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) There is no founder, management or deferred shares in our Company. We have only one class of shares in our Company, namely ordinary shares of RM0.50 each, all of which rank equally with one another.
- (iii) None of our Group's capital is under option, or agreed conditionally or unconditionally to be put under any option.
- (iv) Save as disclosed in Sections 5.4.2 and 5.4.3 of this Prospectus, no shares and / or debentures, warrants, options, convertible securities or uncalled capital of our Company or our Subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) preceding years from the date of this Prospectus.
- (v) Other than 7,822,000 Public Issue Shares reserved for our eligible Directors and employees of our Group and other persons who have contributed to the success of our Group as disclosed in Section 3.3.1 of this Prospectus:
 - (a) no person including Directors or employees of our Group has been or is entitled to be given or has exercised any option to subscribe for any shares or debentures, warrants, options, convertible securities or uncalled capital of our Company or our Subsidiaries; and
 - (b) there is currently no other scheme involving our Directors and employees of our Group and other persons who have contributed to the success of our Group in the share capital of our Company or our Subsidiaries.
- (vi) As at the date of this Prospectus, we do not have any convertible debt securities.

16.2 Articles of Association

The following provisions are reproduced from our Company's Articles of Association. Terms defined in our Articles of Association shall have the same meaning when used here unless they are otherwise defined here or the context otherwise requires.

(i) Transfers of Securities**Article 27**

The instrument of transfer of any Securities shall be in writing and in the form approved in the Rules and shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the securities until the name of the transferee is entered in the Record of Depositors in respect thereof. The transfer of any listed Securities or class of listed Securities of the Company, shall be by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to Section 107C(2) of the Act and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed Securities.

16. ADDITIONAL INFORMATION (Cont'd)

Article 28

Subject to the Rules and Listing Requirements, the transfer of any Securities may be suspended at such times and for such periods as the Directors may from time to time determine. Ten (10) Market Days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be given to the Exchange. At least three (3) Market Days' prior notice shall be given to the Bursa Depository to prepare the appropriate Record of Depositors.

Article 29

The Bursa Depository may refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules. No Securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Article 30

Subject to the provisions of these Articles, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

Article 30A

Subject to any law in Malaysia for the time being in force, neither the Company nor the Directors nor any of its officers shall incur any liability for the act of the Bursa Depository in registering or acting upon a transfer of Securities apparently made by a Member or any person entitled to the Securities by reason of death, bankruptcy or insanity of a Member although the same may, by reason of any fraud or other causes not known to the Company or the Directors or the Bursa Depository or other officers, be legally inoperative or insufficient to pass the property in the Securities proposed or professed to be transferred, and although the transfer may, as between the transferor Member and the transferee, be liable to be set aside and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor Member in the blank as to the name of the transferee, of the particulars of the Securities transferred or otherwise in defective manner. And in every case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such Securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

Article 31

Where by the exercise of reasonable diligence, the Company is unable to discover the whereabouts of a Member for a period of not less than ten (10) years, the Company may cause an advertisement circulating in the place shown in the Register or the Record of Depositors as the address of the Member stating that the Company, after expiration of one (1) month from the date of the advertisement, intends to transfer the shares to the Minister charged with the responsibility for finance.

Article 32

If after the expiration of one (1) month from the date of the advertisement the whereabouts of the Member remains unknown, the Company may transfer the shares held by the Member to the Minister charged with the responsibility for finance and for that purpose may execute for and on behalf of such Member, a transfer of those shares to the Minister charged with the responsibility for finance.

16. ADDITIONAL INFORMATION (Cont'd)

Article 33

In the case of the death of a Member, the legal representative(s), the executors or administrators of the deceased shall be the only person(s) recognised by the Company and / or Bursa Depository as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share which had been held by him.

Article 34

Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Rules and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors and / or Bursa Depository shall in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy. Provided always that where the share is a Deposited Security, subject to the Rules, a transfer or withdrawal of the shares may be carried out by the person becoming so entitled.

Article 35

If any person so becoming entitled to a share in consequence of the death or bankruptcy of a Member elects to register himself as the holder of the share, he shall deliver or send to the Company, a notice in writing signed by him and stating that he so elects, provided that where the share is a Deposited Security and the person becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Bursa Depository. If he elects to have another person registered, he shall evidence his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer is a transfer signed by that Member.

Article 36

Subject to the provisions of any law, where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee or his estate, as the case may be, shall, upon the production of such evidence as may from time to time be required by the Directors and / or the Bursa Depository in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.

Article 37

Where:

- (a) the Securities of a company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such Securities,

16. ADDITIONAL INFORMATION (Cont'd)

the Company shall, upon the request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in ownership of such Securities.

(ii) Remuneration of Directors**Article 97**

The Directors shall be paid by way of fees for their services, such fixed sum (if any) shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:

- (a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 98

- (1) The Directors shall be paid for all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors or general meetings or otherwise.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

Article 131

The remuneration of a Director holding an executive office pursuant to these Articles shall, subject to Article 97, be fixed by the Board and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

16. **ADDITIONAL INFORMATION (Cont'd)**

(iii) **Voting and Borrowing Powers of Directors**

Article 102

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or subsidiary company or associate company or any related third party subject to the law including but not limited to the provisions of the Act and the Listing Requirements, as they may think fit.

Article 103

The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property or uncalled capital, or issue debentures or other securities, whether outright or as security, for any debt, liability or obligation of an unrelated third party.

Article 121

Subject to these Articles, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. The Chairman of the meeting shall however not have a second or casting vote where two (2) Directors form a quorum and only such a quorum is present at the meeting or only two (2) Directors are competent to vote on the question at issue.

Article 125

A Director shall not participate in any discussion or vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest (and if he shall do so his vote shall not be counted).

Article 127

A Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security.

16. ADDITIONAL INFORMATION (Cont'd)**Article 128**

A Director of the Company may be or become a director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation which is directly and indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as directors of such other corporation, in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or is about to be appointed a director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.

Article 129(6)

Where an alternate Director is himself a Director, he shall have a separate vote on behalf of the Director he is representing in addition to his own vote.

(iv) Changes in Capital and Variation of Class Rights

The provisions in our Company's Articles of Association in respect of changes in share capital and variation of class rights are in accordance with the requirements and no less stringent than required by law, are as follows:

Article 8

Subject to the provisions of Sections 55 and 65 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a special resolution passed at a separate meeting of the shareholders of that class. Where necessary majority of such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than three-fourths (3/4) of the issued shares of that class within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two (2) persons who are shareholders present in person or represented by proxy, one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 152 of the Act shall with such adaptations as are necessary, apply.

Article 9

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

16. ADDITIONAL INFORMATION (Cont'd)

Article 52

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid-up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subjected to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may, by the resolution authorising such increase, directs.

Article 55

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; or
- (c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 56

Subject to and in accordance with the provisions of the Act and the requirements of the Exchange and such other relevant law, regulation or guideline, the Company is allowed and shall have power, to the fullest extent permitted, to purchase its own shares. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authority.

Article 57

The Company may, by special resolution, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorisation, and consent required by law.

16.3 Limitation on the Right to Own Securities

There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

16.4 Deposited Securities and Rights of Depositors

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our share registrar will be required to transfer the Shares to the Minister of Finance, and such Shares may not be traded on Bursa Securities.

16. ADDITIONAL INFORMATION (Cont'd)

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository (“**Depositor**”) by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

16.5 Directors and Substantial Shareholders

- (i) The names, addresses and occupations of our Directors are set out in Section 1 of this Prospectus.
- (ii) A Director is not required to hold any qualification share in our Company unless otherwise so fixed by our Company at a general meeting.
- (iii) Save as disclosed in Sections 8.2.4 and 8.2.5 of this Prospectus, no amount or benefits have been paid or intended to be paid or given to any of our Promoters, Directors or substantial shareholders within two (2) years preceding the date of this Prospectus.
- (iv) There are no existing or proposed services agreements between our Company or Subsidiaries and our Directors or key management and key technical personnel, which are not determinable by our Company or Subsidiaries without payments or compensations (other than statutory compensation) within one (1) year.
- (v) Save as disclosed in the Prospectus, none of our Directors is aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect our Group’s profits.
- (vi) Save as disclosed in Sections 10 and 16.7 of this Prospectus, none of our Directors have any interest in any contract or arrangement subsisting at the date of this Prospectus in which our Directors or substantial shareholders are interested and which is significant in relation to the business of our Group as a whole.

16.6 Material Litigation / Arbitration

As at the LPD, there are no material litigation and arbitration, including those pending or threatened, and of any fact likely to give rise to any proceeding which may materially affect the business / financial position of our Company or any of our Subsidiaries.

16.7 Material Contracts

Save as disclosed below, we have not entered into any material contracts (including contracts not in writing), which are not contracts entered into in the ordinary course of business during the two (2) years preceding the date of this Prospectus:

- (i) On 28 May 2015, Rhone Ma Malaysia and Rhone Ma Holdings had entered into a shareholders’ agreement as amended on 14 January 2016 and 28 March 2016 with Dr. Lim, Foong Kam Weng, Dr. Yip, Dr. Raymond Choo, Ker Boon Tong, Chew Chong Hock, Tan Leong Ann, Chan Chew Yen, Dr. Lim Hang Chern and BASB to regulate the affairs of Rhone Ma Malaysia and Rhone Ma Holdings and their relationship as shareholders of Rhone Ma Malaysia and Rhone Ma Holdings. This agreement will terminate upon Listing;

16. ADDITIONAL INFORMATION (Cont'd)

- (ii) On 28 March 2016, Rhone Ma Malaysia had entered into a conditional sale and purchase agreement with Dr. Lim and Dr. Raymond Choo for the acquisition of 30,000 Vet Food Agro Diagnostics Shares, for a total cash consideration of RM2,332,119 as disclosed in Section 5.4.1.2 of this Prospectus. This transaction was completed on 27 September 2016;
- (iii) On 28 March 2016, Rhone Ma Malaysia had entered into a conditional sale and purchase agreement with Dr. Lim for the acquisition of 100,000 Link Ingredients Shares, for a cash consideration of RM1,323,746 as disclosed in Section 5.4.1.1 of this Prospectus. This transaction was completed on 27 September 2016;
- (iv) On 28 March 2016, Rhone Ma Holdings had entered into a conditional sale and purchase agreement with Dr. Lim, Foong Kam Weng, Dr. Yip, Dr. Raymond Choo, Ker Boon Tong, Chew Chong Hock, Tan Leong Ann, Chan Chew Yen and Dr. Lim Hang Chern for the acquisition of the entire equity interest in Rhone Ma Malaysia for a purchase consideration of RM61,938,999 satisfied by the allotment and issuance of 123,877,998 new Shares to the vendors as disclosed in Section 5.4.2.1 of this Prospectus. This transaction was completed on 28 September 2016;
- (v) On 28 March 2016, Rhone Ma Holdings had entered into a conditional sale and purchase agreement with Rhone Ma Malaysia for the acquisition of the entire equity interest in Asia-Pacific Special Nutrients, Link Ingredients and Vet Food Agro Diagnostics for a total consideration of RM1,280,002 which will be reflected as an amount owing by Rhone Ma Holdings to Rhone Ma Malaysia on the completion date of the said acquisition onwards and will be satisfied in the manner to be agreed between Rhone Ma Holdings and Rhone Ma Malaysia as disclosed in Sections 5.4.2.2, 5.4.2.3 and 5.4.2.4 of this Prospectus. This transaction was completed on 29 September 2016;
- (vi) On 11 October 2016, Rhone Ma Holdings had entered into a placement agreement with the Sole Placement Agent where Rhone Ma Holdings agreed to appoint the Sole Placement Agent for the placement of 26,000,000 Public Issue Shares made available for application by way of private placement to Bumiputera Investors approved by MITI and selected investors; and
- (vii) On 11 October 2016, Rhone Ma Holdings had entered into an underwriting agreement with the Sole Underwriter where the Sole Underwriter has agreed to underwrite 15,772,000 Public Issue Shares comprising 8,300,000 Public Issue Shares offered to the Malaysian Public and 7,472,000 Public Issue Shares offered to the eligible employees of our Group and other persons who have contributed to the success of our Group.

16.8 General Information

None of the following has occurred during the last financial year and current financial period up to the LPD:

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by us in respect of other company's shares.

To the best knowledge and belief of our Directors, there are no governmental law, decree, regulation or other requirements which may affect the repatriation of capital and the remittance of profit by or to our Group. We do not operate in any other countries apart from Malaysia.

16. ADDITIONAL INFORMATION (Cont'd)**16.9 Consents**

- (i) The written consents of the Principal Adviser, Sole Underwriter and Sole Placement Agent, Company Secretaries, Principal Bankers, Solicitors for our IPO, Issuing House and Share Registrar to the inclusion in this Prospectus of their names and all references in the form and context in which such names appear have been given before the issue of this Prospectus, and have not subsequently been withdrawn.
- (ii) The written consent of Messrs. BDO Chartered Accountants (Malaysia), the Auditors and Reporting Accountants to the inclusion in this Prospectus of its name, Accountants' Report and letters relating to our pro forma financial information and all references in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus, and has not subsequently been withdrawn.
- (iii) The written consent of Protégé Associates Sdn Bhd, the Independent Market Researcher to the inclusion in this Prospectus of its name, Executive Summary of the IMR Report and extracts of the IMR Report and all references in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.
- (iv) The written consents of Henry Butcher Malaysia (SEL) Sdn Bhd and Henry Butcher Malaysia (NS) Sdn Bhd, the Independent Valuers to the inclusion in this Prospectus of their names and valuation certificates in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus, and have not subsequently been withdrawn.

16.10 Responsibility Statements

- (i) Our Directors and the Promoters have seen and approved this Prospectus, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this Prospectus false or misleading.
- (ii) 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 IPO.

16.11 Documents Available for Inspection

Copies of the following documents may be inspected at our Registered Office during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of our Company;
- (ii) Accountants' Report and Directors' Report as set out in Sections 13 and 14 of this Prospectus respectively;
- (iii) Reporting Accountants' Letter on the Compilation of Pro Forma Consolidated Financial Information as set out in Section 11.4 of this Prospectus;
- (iv) IMR Report together with the executive summary of the IMR Report as set out in Section 7 of this Prospectus;
- (v) valuation reports together with the valuation certificates as set out in Section 15 of this Prospectus;

16. ADDITIONAL INFORMATION (Cont'd)

- (vi) material contracts as set out in Section 16.7 of this Prospectus;
- (vii) distribution agreement dated 7 November 2000 between Rhone Ma Malaysia and Merial as amended on 31 July 2001, 31 January 2003, 6 June 2003 and 23 July 2014 referred to in Section 6.14 of this Prospectus. The SC had via its letter dated 6 May 2016 approved the waiver from disclosing certain terms of the distribution agreement to be made available for inspection;
- (viii) distribution agreement dated 1 October 2015 between RSP and Link Ingredients referred to in Section 6.14 of this Prospectus;
- (ix) letters of consent referred to in Section 16.9 of this Prospectus;
- (x) audited financial statements of our Company for the financial period from 4 November 2014 (date of incorporation) to 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016; and
- (xi) audited financial statements of our Subsidiaries for the FYE 31 December 2013, FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

17.1 Opening and Closing of Application

The application 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 for such further periods as our Directors together with the 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 would be extended accordingly and we will notify the public via an advertisement in widely circulated daily English and Bahasa Malaysia newspapers within Malaysia. Late applications will not be accepted.

17.2 Methods of Application

Your application for the IPO Shares may be made using any of the following:

- (i) Application Form; or
- (ii) Electronic Share Application; or
- (iii) Internet Share Application.

17.3 General Conditions for Applications**(i) Application by the Malaysian Public**

Applications for our IPO Shares made available for application by the Malaysian Public must be made only on the **WHITE** Application Forms provided or by way of Electronic Share Application or Internet Share Application, of which 50% is to be set aside strictly for Bumiputera Public. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application.

(ii) Application by the eligible Directors and employees of our Group and other persons who have contributed to the success of our Group

Applications for our IPO Shares reserved for the eligible Directors and employees of our Group and other persons who have contributed to the success of our Group must be made only on the **PINK** Application Forms provided and **NOT** on any other Application Forms or by way of Electronic Share Application or Internet Share Application.

(iii) Application by way of private placement to Bumiputera Investors approved by MITI

Bumiputera Investors approved by MITI will be contacted directly by MITI and should follow the instructions as communicated through MITI for the applications for our IPO Shares by way of private placement.

(iv) Application by way of private placement to selected investors

Selected investors will be contacted directly by the Sole Placement Agent and should follow the instructions as communicated by the Sole Placement Agent for the applications for our IPO Shares by private placement.

We will only consider one Application Form from you and applications must be for 100 IPO Shares or multiples thereof. **Multiple applications will not be accepted. We wish to caution you that if you submit multiple applications in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and to a jail term of up to ten (10) years under Section 182 of the CMSA.**

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

The amount payable in full on application is RM0.75 per IPO Share.

If you submit applications by way of Application Form, you **may not** submit applications by way of Electronic Share Application or Internet Share Application and *vice versa*.

Persons submitting applications by way of Application Form or by way of Electronic Share Application or Internet Share Application **must have a CDS Account**.

Corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application or Internet Share Application.

Your application is subject to the terms of this Prospectus and our Memorandum and Articles of Association.

IF YOU ARE AN INDIVIDUAL APPLICANT OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME AND YOUR NATIONAL REGISTRATION IDENTITY CARD (“**NRIC**”) NUMBER MUST BE EXACTLY THE SAME AS STATED IN:

- (i) (a) YOUR NRIC;
- (b) YOUR RESIT PENGENALAN SEMENTARA (**KPPK 09**) ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; OR
- (c) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; AND
- (ii) THE RECORDS OF BURSA DEPOSITORY.

IF YOU ARE A MEMBER OF ARMED FORCES OR POLICE, YOUR NAME AND YOUR ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, MUST BE EXACTLY THE SAME AS THAT STATED IN YOUR AUTHORITY CARD.

IN THE CASE OF A CORPORATE / INSTITUTIONAL APPLICANT, YOUR NAME AND YOUR CERTIFICATE OF INCORPORATION NUMBER MUST BE EXACTLY THE SAME AS THAT STATED IN YOUR CERTIFICATE OF INCORPORATION.

We and / or the Issuing House will not make acknowledgement of the receipt of applications or application monies.

17.4 Applications Using Application Forms

(i) Types of Application Forms

The following Application Forms issued with the notes and instructions printed therein are accompanied by this Prospectus.

- (a) **WHITE** Application Forms for application by Malaysian Public; and
- (b) **PINK** Application Forms for application by the eligible Directors and employees of our Group and other persons who have contributed to the success of our Group.

WHITE Application Forms together with copies of this Prospectus may be obtained, subject to availability from PIVB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and the Issuing House.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(ii) Terms and Conditions of Applications Using Application Forms

Applications by way of Application Forms shall be made on, and subject to, the terms and conditions appearing below:

- (a) **WHITE** Application Forms - Applicant who is an individual must be a Malaysian citizen residing in Malaysia with Malaysian address. Applicants must have a CDS Account.

PINK Application Forms - Applicant who is an individual must have a correspondence address in Malaysia. Applicants must have a CDS Account.

- (b) Applicant which is a corporation / institution incorporated in Malaysia and applying via **WHITE** Application Forms must have a CDS Account and are subject to the following:

- (i) If the corporation / institution has a share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and
- (ii) There is a majority of Malaysian citizens on the board of directors / trustee.

Applicant which is a corporation / institution incorporated in or outside Malaysia and applying via **PINK** Application Forms must have a CDS Account and a correspondence address in Malaysia.

- (c) Applicant which is a superannuation, provident and pension fund must be established or operating in Malaysia and with a CDS Account.
- (d) Applications will not be accepted from trustees, any person under eighteen (18) years of age, sole proprietorships, partnership or other incorporated bodies or associations, other than corporations / institutions referred to in Sections 17.4 (ii)(b) and (c) above or the trustees thereof.
- (e) You can apply for the IPO Shares using relevant Application Forms issued together with this Prospectus and you must complete the Application Form in accordance with the Notes and Instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 232(2) of the CMSA, the Application Form together with the Notes and Instructions printed thereon are accompanied by this Prospectus. We will not accept your applications if they **do not strictly** conform to the terms of this Prospectus or Application Form or Notes and Instructions printed thereon or which are illegible.
- (f) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCES IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE EITHER BY:

- BANKER'S DRAFT OR CASHIER'S ORDER purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera Applicants); OR
- MONEY ORDER OR POSTAL ORDER (for Applicants from Sabah and Sarawak only); OR
- GUARANTEED GIRO ORDER ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera Applicants); OR

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:
 - Hong Leong Bank Berhad;
 - Malayan Banking Berhad; or
 - RHB Bank Berhad.

MADE OUT IN FAVOUR OF:

“TIH SHARE ISSUE ACCOUNT NO. 670”

AND CROSSED “A/C PAYEE ONLY” (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND ADDRESS.

WE WILL NOT ACCEPT YOUR APPLICATION WHICH IS ACCOMPANIED BY MODE OF PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCE OR INAPPROPRIATE BANKER’S DRAFT / CASHIER’S ORDER / MONEY ORDERS OR POSTAL ORDER / GGO / ATM STATEMENT. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

- (g) YOU **MUST** STATE YOUR CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM.
- (h) YOUR NAME AND ADDRESS, MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER’S DRAFT, CASHIER’S ORDER, ATM STATEMENT, MONEY ORDER, POSTAL ORDER OR GGO FROM BANK SIMPANAN NASIONAL BERHAD.
- (i) Our Directors reserve the right to require you, if you are successful in your application, to appear in person at the registered office of the Issuing House at anytime within fourteen (14) days of the date of notice issued to you prior to the Listing to ascertain the regularity or propriety of your application. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (j) The Issuing House acting on the authority of our Directors reserves the right to reject applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (k) The Issuing House acting on the authority of our Directors reserves the right not to accept your application or to accept your application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allocating our IPO Shares to a reasonable number of Applicants with a view of establishing an adequate market for our IPO Shares.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (l) The application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account for purposes of cash dividend / distribution if you have provided such bank account information to Bursa Depository or by ordinary post to your last address maintained with the Bursa Depository, if you have not provided such bank account information to Bursa Depository (for partially successful applications), at your own risk within ten (10) Market Days from the date of the final ballot.

If your application is rejected because you did not provide a CDS Account, the full amount of your application monies will be sent to you to the address as per the NRIC or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document as issued by the National Registration Department from time to time, or Authority Card in the case of Armed Forces / Police personnel, at your own risk.

- (m) You shall ensure that your personal particulars as stated in the Application Form are identical with the records maintained by Bursa Depository. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (n) The Issuing House acting on the authority of our Directors reserves the right to bank in all application monies from unsuccessful Bumiputera Applicants and partially successful Applicants, which would subsequently be refunded without interest by ordinary post or registered post at your own risk.
- (o) Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

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

OR DELIVERED BY HAND AND DEPOSITED in the drop-in boxes provided at their Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, so as to arrive not later than 5.00 p.m. on 6 December 2016 or such further period or periods as our Directors together with the Sole Underwriter in their absolute discretion may mutually decide.

We will not accept late applications.

- (p) YOU MAY DIRECT **ALL ENQUIRIES** IN RESPECT OF THE **WHITE APPLICATION FORM** TO THE ISSUING HOUSE.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

17.5 Applications Using Electronic Share Application

(i) Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account;
- (b) You **must** have a CDS Account; and
- (c) You can apply for our IPO Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 17.5 (ii) in respect of the terms and conditions for Electronic Share Application. You have to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:
 - Personal Identification Number (“PIN”);
 - **TIHH Share Issue Account No. 670;**
 - CDS Account number;
 - Number of the IPO Shares applied for and / or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.
- (d) Electronic Share Application may be made through an ATM of the following Participating Financial Institutions and their branches with the respective processing fee:
 - Affin Bank Berhad – No fee will be charged for application by their account holders;
 - AmBank (M) Berhad – RM1.00;
 - CIMB Bank Berhad – RM2.50;
 - HSBC Bank Malaysia Berhad – RM2.50;
 - Malayan Banking Berhad – RM1.00;
 - Public Bank Berhad – RM2.00;
 - RHB Bank Berhad – RM2.50; or
 - Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50.

(ii) Terms and Conditions for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (“Steps”). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in “Steps for Electronic Share Application through a Participating Financial Institution's ATM” in Section 17.5(i) of this Prospectus. The Steps set out the actions that an Applicant must take at the ATM to complete an Electronic Share Application.

Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application. Any reference to “you” in the terms and conditions for Electronic Share Application and the Steps shall mean the Applicant who applies for IPO Shares through an ATM of any of the Participating Financial Institutions.

Only an Applicant who is an individual with a CDS Account is eligible to utilise the facility.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

You must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of the Participating Financial Institutions. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for our IPO Shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your retention and should not be submitted with any Application Form.

Upon the closing of the offer for the application for our IPO Shares on **6 December 2016 at 5.00 p.m.** ("**Closing Date and Time**"), the Participating Financial Institutions shall submit a magnetic tape containing its respective customers' applications for our IPO Shares to the Issuing House as soon as practicable but not later than **12.00 p.m.** of the second (2nd) business day after the Closing Date and Time.

You may make an Electronic Share Application for our IPO Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account and its branches, subject to you making only one (1) application.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (a) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (b) You are required to confirm the following statements (by depressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given is true and correct:
 - You have attained eighteen (18) years of age as at the closing date of the share application;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the Prospectus and understood and agreed with the terms and conditions of the application; and
 - You thereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 133 of the Financial Services Act, 2013 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of your particulars to the Issuing House, or any relevant regulatory bodies.

- (c) YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OUR IPO SHARES AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC SHARE APPLICATION THAT YOU MAKE IS MADE BY YOU AS BENEFICIAL OWNER. YOU SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR OUR IPO SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS OR VIA INTERNET SHARE APPLICATION.
- (d) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (e) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that our Company decides to allot or allocate any lesser number of such IPO shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key on the ATM) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (f) We reserve the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the IPO Shares to a reasonable number of Applicants with a view to establishing an adequate market for our IPO Shares.
- (g) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institutions will be informed of the non-successful or partially successful applications. Where your Electronic Share Application is not successful, the relevant Participating Financial Institutions will credit the full amount of the application monies without interest into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) Market Days after the balloting date. You may check your accounts on the fifth (5th) Market Day from the balloting day.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institutions will credit the balance of the application monies without interest into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. A number of applications will, however, be held in reserve to replace any successfully balloted applications which are subsequently rejected. For such applications which are subsequently rejected, the application monies without interest will be refunded to you by the Issuing House by crediting into your account with the Participating Financial Institutions not later than ten (10) Market Days from the final ballot of the applications.

Should you encounter any problems in your application, you may refer to the Participating Financial Institutions.

- (h) You request and authorise us:
- (i) to credit the IPO Shares allotted or allocated to you into your CDS Account; or
 - (ii) to issue share certificate(s) representing such IPO Shares allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (i) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond our control, the Issuing House or the Participating Financial Institutions and you irrevocably agree that if:
- (i) we or the Issuing House do not receive your Electronic Share Application; and
 - (ii) data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or the Issuing House,
- you shall be deemed not to have made an Electronic Share Application and you shall have no claim whatsoever against us, the Issuing House and the Participating Financial Institutions for the IPO Shares applied for or for any compensation, loss or damage.
- (j) All your particulars in the records of the relevant Participating Financial Institutions at the time you make your Electronic Share Application shall be deemed to be true and correct and our Company, the Issuing House and the Participating Financial Institutions shall be entitled to rely on the accuracy thereof.
- (k) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (l) By making and completing an Electronic Share Application, you agree that:
- (i) in consideration of our Company agreeing to allow and accept the making of any application for the IPO Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (ii) our Company, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to our Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (iii) notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase the IPO Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation by us or on our behalf for prescribed securities, in respect of the said IPO Shares;
 - (iv) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee of any instrument of transfer and / or other documents required for the issue or transfer of the shares allocated to you; and
 - (v) in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and / or the Electronic Share Application and / or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (m) Our Directors reserve the right to require you, if you are successful in your application, to appear in person at the registered office of the Issuing House within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of the application. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (n) Our Directors reserve the right to reject applications, which do not conform to these instructions.

17.6 Applications Using Internet Share Application**(i) Steps for Internet Share Application**

The exact steps for Internet Share Application for the IPO Shares are as set out on the Internet financial services websites of the Internet Participating Financial Institutions.

For illustration purposes only, we have set out below possible steps of an application for subscription of the IPO Shares using Internet Share Application.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institutions with which you have an account. You are advised not to apply for the IPO Shares through any website other than the Internet financial services websites of the Internet Participating Financial Institutions.
- (b) Log in to the Internet financial services facility by entering your user identification and PIN / password.
- (c) Navigate to the section of the website on applications in respect of initial public offerings.
- (d) Select the counter in respect of the IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (f) At the next screen, complete the online application form.
- (g) Check that the information contained in the online application form such as the share counter, NRIC number, CDS Account number, number of IPO Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (h) By confirming such information, you undertake that the following mandatory statements are true and correct:
 - (i) You are at least eighteen (18) years of age as at the closing date of the application for subscription of the IPO Shares.
 - (ii) You are a Malaysian citizen residing in Malaysia.
 - (iii) You have, prior to making the Internet Share Application, received and / or have had access to a printed / electronic copy of this Prospectus, the contents of which you have read and understood.
 - (iv) You agree to all terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the subscription of the IPO Shares.
 - (v) The Internet Share Application is the only application that you are submitting for the IPO Shares.
 - (vi) You authorise the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Authorised Financial Institution.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (vii) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Services Act, 2013 and Section 45 of the SICDA) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and / or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to Issuing House and the Authorised Financial Institution, the SC and any other relevant authority.
- (viii) You are not applying for the IPO Shares as a nominee of other person and the application is made in your own name, as a beneficial owner and subject to the risks referred to in this Prospectus.
- (ix) You authorise the Internet Participating Financial Institutions to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Share Application services.

- (i) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your application of the IPO Shares.
- (j) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment of the application of the IPO Shares is being made.
- (k) Subsequent to the above, the Internet Participating Financial Institutions shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.

For the purposes of this section of the Prospectus, “**Confirmation Screen**” shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for, which you can print out for your records.

- (l) You are advised to print out the Confirmation Screen for reference and retention.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**(ii) Terms and Conditions for Internet Share Application**

Internet Share Applications may be made through the Internet financial services websites of the following Internet Participating Financial Institutions with the respective processing fee:

- (a) CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;
- (b) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for Applicants with CDS Accounts held with CIMB Investment Bank Berhad and RM2.50 for Applicants with CDS Accounts with other ADAs;
- (c) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
- (d) RHB Bank Berhad (www.rhbgroup.com.my) – RM2.50;
- (e) Affin Bank Berhad (www.affinOnline.com) – No fees will be charged for application by their account holders;
- (f) Public Bank Berhad (www.pbepbank.com) – RM2.00; and
- (g) Affin Hwang Investment Bank Berhad (trade.affinhwang.com) – No fees will be charged for application by their account holders.

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE PROCEDURES, TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS AND THE PROCEDURES SET OUT IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS BEFORE YOU MAKE AN INTERNET SHARE APPLICATION.

THE EXACT TERMS AND CONDITIONS AND ITS SEQUENCE FOR THE INTERNET SHARE APPLICATIONS IN RESPECT OF OUR IPO SHARES ARE AS SET OUT ON THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and shall be subject to the terms and conditions set out below:

- (a) In order to make an Internet Share Application, you must:
 - (i) be an individual with a CDS Account;
 - (ii) have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. You must have ready your user identification and PIN / password for the relevant Internet financial services facilities; and
 - (iii) be a Malaysian citizen and have a Malaysian address.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

You are advised to note that the user identification and PIN / password by one of the Internet Participating Financial Institutions cannot be used to apply for the IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions.

- (b) An Internet Share Application shall be made on and shall be subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (c) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screens of the Internet financial services websites of the Internet Participating Financial Institutions) and to undertake that the following information given are true and correct:
 - (i) You have attained eighteen (18) years of age as at the date of the application for subscription of the IPO Shares.
 - (ii) You are Malaysian citizen residing in Malaysia.
 - (iii) You have, prior to making the Internet Share Application, received and / or have had access to a printed / electronic copy of this Prospectus, the contents of which you have read and understood.
 - (iv) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO Shares.
 - (v) The Internet Share Application is the only application that you are submitting for the IPO Shares.
 - (vi) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution.
 - (vii) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Services Act, 2013 and Section 45 of the SICDA) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and / or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to Issuing House and the Authorised Financial Institution, the SC and any other relevant authority.
 - (viii) You are not applying for the IPO Shares as a nominee of other person and the application is made in your own name, as a beneficial owner and subject to the risks referred to in this Prospectus.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ix) You authorise the Internet Participating Financial Institutions to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the Public Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Public Issue. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Share Application services.
- (d) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen. Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in Section 17.6(ii)(c) above.
- (e) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making the Internet Share Application, to cover and pay for the IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which the Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not strictly conform to the instructions set out in this Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made, shall be rejected.
- (f) You irrevocably agree and undertake to subscribe for and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted or allocated to you. In the event that we decide to allot any lesser amount of IPO Shares or not to allot any IPO Shares to you, you agree to accept our decision as final.

In the course of completing the Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:

- (i) your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
- (ii) your agreement to be bound by our Memorandum and Articles of Association.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (g) You are aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. The Issuing House, acting on the authority of our Directors, reserve the right to reject or accept any Internet Share Application in whole or in part without assigning any reason. Due consideration will be given to the desirability of allotting the IPO Shares to a reasonable number of Applicants with a view to establishing an adequate market for our IPO Shares.
- (h) If your Internet Share Application is unsuccessful or partially successful, the relevant Internet Participating Financial Institutions will be informed of the unsuccessful or partially successful Internet Share Application within two (2) Market Days after the balloting date. The Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies or the balance of it (as the case may be) in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from the Issuing House.

A number of applications will be reserved to replace any successfully balloted applications that are subsequently rejected. The application monies relating to these applications which are subsequently rejected, will be refunded (without interest or any share of revenue or other benefit arising therefrom) by the Issuing House by crediting into your account with Internet Participating Financial Institutions within ten (10) Market Days from the date of the final ballot.

Except where the Issuing House is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institutions to ensure the timely refund of application monies from unsuccessful or partially successful Internet Share Applications. Therefore, you are strongly advised to consult with the Internet Participating Financial Institutions through which your application was made in respect of the mode or procedure of enquiring on the status of your Internet Share Application in order to determine the status or exact number of IPO Shares allotted, if any, before trading of our Shares on Bursa Securities.

- (i) Internet Share Application will be closed at 5.00 p.m. on 6 December 2016 or such other date(s) as our Directors and the Sole Underwriter may in their absolute discretion mutually decide. An Internet Share Application is deemed to be received only upon its completion that is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(j) You irrevocably agree and acknowledge that the Internet Share Application is subject to electrical, electronic, technical, transmission and communication and computer-related faults and breakdowns, fires and other events which are not in our control, or the control of the Issuing House, the Internet Participating Financial Institutions and the Authorised Financial Institution. If we, the Issuing House and / or the Internet Participating Financial Institutions and / or the Authorised Financial Institution do not receive your Internet Share Application and / or the payment, or if any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, the Issuing House, the Internet Participating Financial Institutions and the Authorised Financial Institution in relation to the IPO Shares applied for or for any compensation, loss or damage arising from it.

(k) All of your particulars in the records of the relevant Internet Participating Financial Institutions at the time of the Internet Share Application shall be deemed to be true and correct, and we, the Issuing House, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to access of such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You shall ensure that your personal particular as recorded by both Bursa Depository and the Internet Participating Financial Institutions are correct and identical, otherwise your Internet Share Application is liable to be rejected. The notification letter on successful allotment will be sent to your address last registered with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institutions and Bursa Depository of any changes in your personal particulars that may occur from time to time.

(l) By making and completing an Internet Share Application, you are deemed to have agreed that:

(i) in consideration of us making available the Internet Share Application facility to you, through the Internet Participating Financial Institutions acting as your agents, your Internet Share Application is irrevocable;

(ii) you have irrevocably requested and authorised us to register the IPO Shares allotted to you for deposit into your CDS Account;

(iii) neither us nor the Internet Participating Financial Institutions, shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to the Issuing House or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in Section 17.6(ii)(j) herein or to any cause beyond our / their control;

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) you should hold the Internet Participating Financial Institutions harmless from any damages, claims or losses as a consequence of or arising from any rejection of your Internet Share Application by us, the Issuing House, and / or the Internet Participating Financial Institutions for reasons of multiple applications, suspected multiple applications, inaccurate and / or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institutions;
- (v) notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and the purchase of the IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by the issue of a notice by us or on our behalf for prescribed securities in respect of the IPO Shares;
- (vi) you are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application;
- (vii) in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, the Sole Underwriter, the Principal Adviser and any other person involved in the Public Issue shall not be liable for any information not contained in this Prospectus which you may have relied on in making the Internet Share Application; and
- (viii) our acceptance of your Internet Share Application and the contract resulting from the Public Issue shall be governed by and construed in accordance with the laws of Malaysia, and you irrevocably submit to the jurisdiction of the Courts of Malaysia.

17.7 Applications and Acceptances

The Issuing House, acting on the authority of our Directors reserves the right not to accept any application, which does not strictly comply with the instructions, or to accept any application in part only without assigning any reason therefor.

THE SUBMISSION OF AN APPLICATION FORM DOES NOT NECESSARILY MEAN THAT THE APPLICATION WILL BE SUCCESSFUL.

ALL APPLICATIONS MUST BE FOR 100 IPO SHARES OR MULTIPLES THEREOF.

In the event of an over-subscription, acceptance of applications by the Malaysian Public shall be subject to ballot to be conducted in a fair and equitable manner and as approved by our Directors. Due consideration will be given to the desirability of distributing the IPO Shares to a reasonable number of Applicants with a view of broadening the shareholding base and establishing an adequate market in our IPO Shares.

Pursuant to the Listing Requirements, we need to have at least 25% of the enlarged issued and paid-up share capital in the hands of public shareholders and a minimum of 1,000 public shareholders holding not less than 100 IPO Shares each at the point of Listing. However, in the event that the above requirement is not met pursuant to this IPO, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned in full. The Applicants will be selected in a manner to be determined by our Directors.

In the event of an under-subscription, the IPO Shares will be subject to reallocation and / or underwritten in the manner as set out in Section 3.3.1 of this Prospectus.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Directors and employees of the Issuing House and their immediate families are strictly prohibited from applying for the IPO Shares.

WHERE AN APPLICATION IS NOT ACCEPTED OR PARTIALLY ACCEPTED, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST TO YOU AT YOUR OWN RISK.

THE ISSUING HOUSE RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL AND PARTIALLY SUCCESSFUL APPLICANTS WHICH WOULD SUBSEQUENTLY BE REFUNDED WITHOUT INTEREST TO YOU AT YOUR OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE HAVING BEEN PRESENTED FOR PAYMENT.

17.8 CDS Accounts

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our securities as prescribed securities. In consequence thereof, the IPO Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

Following the above, in accordance with Section 29 of the SICDA, all dealings in our securities including the IPO Shares will be by book entries through CDS Accounts. No share certificates will be issued to successful Applicants.

Only an Applicant who has a CDS Account can make an application by way of Application Form. You shall furnish your CDS Account number in the space provided in the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS Account to the Issuing House and / or our Company. Where you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an application for the IPO Shares. Failure to comply with the specific instructions as the Application Form requires or inaccuracy in the CDS Account number may result in the application being rejected. If a successful Applicant fails to state his / her CDS Account number, the Issuing House under the instruction of our Company, will reject the application.

In the case of an application by way of Electronic Share Application, only an Applicant who has a CDS Account can make an Electronic Share Application. You shall furnish your CDS Account number to the Participating Financial Institutions by way of keying in your CDS Account number if the instruction on the ATM screen at which you enter your Electronic Share Application requires you to do so. Failure to comply with the specific instructions as the Electronic Share Application requires or inaccuracy in the CDS Account number arising from use of invalid, third party or nominee's account, may result in your application being rejected.

In the case of an application by way of Internet Share Application, only an Applicant who has a CDS Account can make an Internet Share Application. In certain cases, only an Applicant who has a CDS Account opened with the Internet Participating Financial Institutions can make an Internet Share Application. Arising therewith, the Applicant's CDS Account number would automatically appear in the e-IPO online application form.

The Issuing House, acting on the authority of our Directors, reserves the right to reject any incomplete and inaccurate application. Applications may also be rejected if your particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application or if the records of the Internet Participating Financial Institutions at the time of making the Internet Share Application differ from those in Bursa Depository's records, such as the NRIC number, name and nationality.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

17.9 Notice of Allotment

We will allot and credit the IPO Shares to your CDS Account if you are successful or partially successful in the application. A notice of allotment will then be despatched to you at your address last maintained with the Bursa Depository at your own risk prior to the Listing. For Electronic Share Application or Internet Share Application, the notice of allotment will be despatched to the successful or partially successful Applicant at your address last maintained with the Bursa Depository at your own risk prior to the Listing. This is the only acknowledgement of acceptance of the application.

If your address as stated in the Application Form or, in the case of an Electronic Share Application, in the records of the Participating Financial Institutions, or Internet Share Application, in the records of the Internet Participating Financial Institutions, as the case may be, is different from the address registered with Bursa Depository, you must inform Bursa Depository of your updated address promptly by adhering to the certain rules and regulations of the Bursa Depository, failing which the notification letter on successful allotment shall be sent to your address last registered with Bursa Depository.

You may also check the status of your application by calling your respective ADAs at the telephone number as stated in Section 17.10 hereof or at the telephone number of the Issuing House stated below between five (5) to ten (10) Market Days (during office hours only) or checking the Issuing House's website stated below after the date of allotment of the IPO Shares:

Telephone number: 03-2783 9299
Website: www.myetricor.com

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**17.10 List of ADAs**

The list of ADAs and their respective addresses, telephone numbers and ADA codes are as follows:

Name	Address and telephone number	ADA Code
<u>KUALA LUMPUR</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	2 nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-009
AFFIN HWANG INVESTMENT BANK BERHAD	Ground, Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BERHAD	No. 38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel No.: 03-9130 8803	068-021
ALLIANCE INVESTMENT BANK BERHAD	17 th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2604 3333	076-001
AMINVESTMENT BANK BERHAD	15 th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2078 2788	086-001
BIMB SECURITIES SDN BHD	32 nd Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2691 8887	024-001
CIMB INVESTMENT BANK BERHAD	Level 17, Menara CIMB Jalan Stesen Sentral 2 50470 Kuala Lumpur Tel No.: 03-2261 8888	065-001
FA SECURITIES SDN BHD	A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No.: 03-2288 1676	021-002

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	ADA Code
<u>KUALA LUMPUR (CONT'D)</u>		
HONG LEONG INVESTMENT BANK BERHAD	Level 7, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168	066-001
HONG LEONG INVESTMENT BANK BERHAD	Level 25 & 26 Menara LGB No.1 Jalan Wan Kadir 60000 Kuala Lumpur Tel No.: 03-7723 6300	066-002
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F, Danau Business Centre Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	No. 33-1 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9056 2922	054-007
JUPITER SECURITIES SDN BHD	Level 8 & 9, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11 th - 14 th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2164 9080	073-001
KENANGA INVESTMENT BANK BERHAD	M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4297 8806	073-020

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>KUALA LUMPUR (CONT'D)</u>		
KENANGA INVESTMENT BANK BERHAD	1st Floor West Wing Bangunan ECM Libra 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 2888	073-021
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1133	073-029
M & A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002
M & A SECURITIES SDN BHD	22A-1, Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Tel No.: 03-7983 9890	057-004
MALACCA SECURITIES SDN BHD	55-1, Jalan Metro Perdana Barat 1 Taman Usahawan Kepong 52100 Kuala Lumpur Tel No.: 03-6241 8595	012-009
MALACCA SECURITIES SDN BHD	No. 76-1, Jalan Wangsa Delima 6 Pusat Bandar Wangsa Maju (KLSC) Setapak 53300 Kuala Lumpur Tel No.: 03-4144 2565	012-012
MAYBANK INVESTMENT BANK BERHAD	Tingkat 5-13, Mayban Life Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No.2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	Level 9, 10, 11, 12, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2173 8888	026-001

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>KUALA LUMPUR (CONT'D)</u>		
PM SECURITIES SDN BHD	Mezzanine & 1 st Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No.: 03-2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27 th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2268 3000	051-001
RHB INVESTMENT BANK BERHAD	Level 1, Tower 3 RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9287 3888	087-001
RHB INVESTMENT BANK BERHAD	4 th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333	087-018
RHB INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No.: 03-6257 5869	087-028
RHB INVESTMENT BANK BERHAD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	087-054
RHB INVESTMENT BANK BERHAD	Ground, 1 st , 2 nd & 3 rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	087-058
TA SECURITIES HOLDINGS BERHAD	Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	N-1-3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6205 6000	078-004

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>KUALA LUMPUR (CONT'D)</u>		
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2147 1888	078-010
<u>SELANGOR DARUL EHSAN</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	16 th , 18 th -20 th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No.: 03-5513 3288	068-002
AFFIN HWANG INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-010
AFFIN HWANG INVESTMENT BANK BERHAD	3 rd & 4 th Floor, Wisma Meru No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	Lot 229, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016	068-020
AFFIN HWANG INVESTMENT BANK BERHAD	No. 79-1 & 79-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03-3322 1999	068-023
AMINVESTMENT BANK BERHAD	4 th Floor, Plaza Damansara Utama No. 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-003
CIMB INVESTMENT BANK BERHAD	Level G & Level 1 Tropicana City Office Tower No. 3 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388	065-009

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>SELANGOR DARUL EHSAN (CONT'D)</u>		
JF APEX SECURITIES BERHAD	6 th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001
JF APEX SECURITIES BERHAD	Level 16, Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002
JF APEX SECURITIES BERHAD	Block J-6-3A, Setia Walk PSN Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan Tel No.: 03-5879 0163	079-004
JUPITER SECURITIES SDN BHD	No. 42 – 46, 3 rd Floor Jalan SS19/1D 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5632 4838	055-004
KENANGA INVESTMENT BANK BERHAD	Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7862 6200	073-005
KENANGA INVESTMENT BANK BERHAD	55C, 2 nd Floor Jalan USJ 10/1F 47610 Subang Jaya Selangor Darul Ehsan Tel No.: 03-8024 1773	073-006
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-016
KENANGA INVESTMENT BANK BERHAD	Level 1 East Wing Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5621 2118	073-030

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	ADA Code
<u>SELANGOR DARUL EHSAN (CONT'D)</u>		
KENANGA INVESTMENT BANK BERHAD	No. 35 (Ground & 1 st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080	073-035
MALACCA SECURITIES SDN BHD	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533	012-002
MALACCA SECURITIES SDN BHD	No. 58 & 60, 1 st Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7876 1533	012-003
MALACCA SECURITIES SDN BHD	No. 39-2, Jalan Temenggung 21/9 Seksyen 9, Bandar Mahkota Cheras 43200 Cheras Selangor Darul Ehsan Tel No.: 03-9011 5913	012-011
MAYBANK INVESTMENT BANK BERHAD	Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No.: 03-3050 8888	098-003
MAYBANK INVESTMENT BANK BERHAD	Wisma Bently Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7718 8888	098-004
PM SECURITIES SDN BHD	No. 157, Jalan Kenari 2A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	ADA Code
<u>SELANGOR DARUL EHSAN (CONT'D)</u>		
RHB INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366	087-011
RHB INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378	087-045
RHB INVESTMENT BANK BERHAD	First Floor 10 & 11, Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	087-047
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	087-048
RHB INVESTMENT BANK BERHAD	Unit 1B, 2B & 3B Jalan USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8022 1888	087-059
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-5192 0202	096-001
SJ SECURITIES SDN BHD	101B, Jalan SS 15/5A 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5631 7888	096-002
SJ SECURITIES SDN BHD	No. 74-2, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03-3322 1915	096-004

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>SELANGOR DARUL EHSAN (CONT'D)</u>		
SJ SECURITIES SDN BHD	No. A-3-11, Block Allamanda 10 Boulevard Lebuhraya Sprint PJU 6A 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7732 3862	096-005
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	2 nd Floor, Wisma TA No. 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7795 5713	058-007
<u>PERAK DARUL RIDZUAN</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688	068-003
AFFIN HWANG INVESTMENT BANK BERHAD	2 nd & 3 rd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2559 988	068-015
CIMB INVESTMENT BANK BERHAD	Ground, 1 st , 2 nd and 3 rd Floor No. 8, 8A-8C, Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088 688	065-010
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530 888	066-003
KENANGA INVESTMENT BANK BERHAD	Ground, 1 st , 2 nd & 4 th Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828	073-022

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>PERAK DARUL RIDZUAN (CONT'D)</u>		
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 25 & 25A Jalan Jaya 2 Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6939 828	073-031
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2419 800	057-001
MALACCA SECURITIES SDN BHD	No. 3, 1 st Floor Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2541 533	012-013
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No. 42, Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2453 400	098-002
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236 498	087-014
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921 228	087-016
RHB INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2415 100	087-023
RHB INVESTMENT BANK BERHAD	Ground Floor No. 40, 42 & 44, Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8088 229	087-034

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>PERAK DARUL RIDZUAN (CONT'D)</u>		
RHB INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No.: 05-4651 261	087-044
RHB INVESTMENT BANK BERHAD	No. 1 & 3, 1 st Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170 888	087-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1 st & 2 nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531 313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 27-1, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6216 010	078-009
UOB KAY HIAN SECURITIES (M) SDN BHD	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No.: 05-2411 290	078-013
<u>PULAU PINANG</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No.: 04-2636 996	068-001
AFFIN HWANG INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-5372 882	068-006
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Bangunan Barkath 21, Lebuhraya Pantai 10300 Georgetown Pulau Pinang Tel No : 04-2611 688	076-015

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>PULAU PINANG (CONT'D)</u>		
AMINVESTMENT BANK BERHAD	3 rd Floor, Menara Liang Court No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-2261 818	086-004
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-2385 900	065-001
INTER-PACIFIC SECURITIES SDN BHD	Canton Square Level 2 & Level 3 No. 56 Cantonment Road 10250 Pulau Pinang Tel No.: 04-2268 288	054-002
JF APEX SECURITIES SDN BHD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Pulau Pinang Tel No.: 04-2289 118	079-005
JUPITER SECURITIES SDN BHD	20-1 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Pulau Pinang Tel No.: 04-6412 881	055-003
KENANGA INVESTMENT BANK BERHAD	7 th , 8 th & 16 th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-2283 355	073-023
M & A SECURITIES SDN BHD	332H-1 & 332G-2, Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel No.: 04-2817 611	057-005
M & A SECURITIES SDN BHD	216, 216A, 218 and 218A Pengkalan Weld Lebuh Macallum 10300 Pulau Pinang Tel No.: 04-2617 611	057-008
MALACCA SECURITIES SDN BHD	No. 39-1, Jalan Lenggong Vantage Point 11600 Jelutong Pulau Pinang Tel No.: 04-8981 525	012-004

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>PULAU PINANG (CONT'D)</u>		
MALACCA SECURITIES SDN BHD	48 Jalan Todak 2 13700 Seberang Jaya Pulau Pinang Tel No.: 04-3905 669	012-006
MALACCA SECURITIES SDN BHD	No. 17, 1 st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Pulau Pinang Tel No.: 04-6421 533	012-007
MAYBANK INVESTMENT BANK BERHAD	Lot 1.02, 1 st Floor Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown Pulau Pinang Tel No.: 04-2196 888	098-006
MERCURY SECURITIES SDN BHD	Ground, 1 st , 2 nd & 3 rd Floor Wisma UMNO Lorong Bagan Luar Dua Seberang Perai 12000 Butterworth Seberang Perai Pulau Pinang Tel No.: 04-3322 123	093-001
MERCURY SECURITIES SDN BHD	2 nd Floor Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Tel No.: 04-2639 118	093-004
MERCURY SECURITIES SDN BHD	D' Piazza Mall 70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru Pulau Pinang Tel No.: 04-6400 822	093-006
PM SECURITIES SDN BHD	3rd Floor, Wisma Wang 251-A Jalan Burmah 10350 Pulau Pinang Tel No.: 04-2273 000	064-004
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No.: 04-3900 022	087-005

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	ADA Code
<u>PULAU PINANG (CONT'D)</u>		
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-5402 888	087-015
RHB INVESTMENT BANK BERHAD	64 & 64-D Ground – 3 rd Floor & 5 th to 8 th Floor Lebuh Bishop 10200 Pulau Pinang Tel No.: 04-2634 222	087-033
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 15-G-5, 15-G-6, 15-1-5 , 15-1-6, 15-2-5, 15-2-6 & 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No.: 04-6404 888	087-042
SJ SECURITIES SDN BHD	12th Floor, Office Tower Hotel Royal Penang No. 3, Jalan Larut 10050 Georgetown Pulau Pinang Tel No.: 04-2289 836	096-003
TA SECURITIES HOLDINGS BERHAD	3 rd Floor, Bangunan Heng Guan No. 171 Jalan Burmah 10050 Pulau Pinang Tel No.: 04-2272 339	058-010
UOB KAY HIAN SECURITIES (M) SDN BHD	1st Floor, Bangunan Heng Guan No. 171 Jalan Burmah 10050 Pulau Pinang Tel No.: 04-2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-5541 388	078-003
<u>KEDAH DARUL AMAN</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 70A, B & C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256 666	068-011

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>KEDAH DARUL AMAN (CONT'D)</u>		
ALLIANCE INVESTMENT BANK BERHAD	Lot T-30, 2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088	076-004
RHB INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-4204 888	087-017
RHB INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No.: 04-4964 888	087-019
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor 214-A, 214-B, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209 888	087-021
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 5 & 5A, 1 st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7322 111	078-007
<u>NEGERI SEMBILAN DARUL KHUSUS</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	1 st Floor, 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7612 288	068-007
AFFIN HWANG INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 188	068-013
KENANGA INVESTMENT BANK BERHAD	1C & 1D, Ground & 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7655 998	073-033

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>NEGERI SEMBILAN DARUL KHUSUS (CONT'D)</u>		
MAYBANK INVESTMENT BANK BERHAD	Wisma HM No. 43 Jalan Dr. Krishnan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7669 555	098-005
PM SECURITIES SDN BHD	Ground, 1 st - 3 rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7623 131	064-002
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 32 & 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7641 641	087-024
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu 1/2, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-6461 234	087-046
<u>MELAKA</u>		
CIMB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-2898 800	065-006
KENANGA INVESTMENT BANK BERHAD	71 (A&B) & 73 (A&B), Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2881 720	073-028
KENANGA INVESTMENT BANK BERHAD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No.: 06-3372 550	073-034
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No.: 06-3371 533	012-001

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	ADA Code
<u>MELAKA (CONT'D)</u>		
MERCURY SECURITIES SDN BHD	No. 81, 81-A & 81-B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921 898	093-003
PM SECURITIES SDN BHD	No. 6-1, Jalan Lagenda 2 Taman 1 Lagenda 75400 Melaka Tel No.: 06-2880 050	064-006
RHB INVESTMENT BANK BERHAD	No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2833 622	087-002
RHB INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-2825 211	087-026
TA SECURITIES HOLDINGS BERHAD	No. 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2862 618	058-008
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No.: 06-3352 511	078-014
<u>JOHOR DARUL TAKZIM</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222 692	068-004
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1 st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922	076-006
AMINVESTMENT BANK BERHAD	18 th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-4342 282	086-006

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>JOHOR DARUL TAKZIM (CONT'D)</u>		
AMINVESTMENT BANK BERHAD	3 rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282	086-002
CIMB INVESTMENT BANK BERHAD	No. 73 Ground Floor No. 73A & 79A First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3405 888	065-011
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231 211	054-004
JUPITER SECURITIES SDN BHD	30-1 Jalan Molek 1/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3538 878	055-002
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (A&B) Ground & 1 st Floor Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-7771 161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4 Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-9782 292	073-011
KENANGA INVESTMENT BANK BERHAD	No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4326 963	073-017

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	ADA Code
<u>JOHOR DARUL TAKZIM (CONT'D)</u>		
KENANGA INVESTMENT BANK BERHAD	Suite 16-02, 16-03 & 16-03A Level 16, Manara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-2237 423	073-019
KENANGA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9531 222	073-024
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 07-4678 885	073-025
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3381 233	057-003
M & A SECURITIES SDN BHD	No. 27, 27A & 27 B Jalan Molek 2/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3551 988	057-007
MALACCA SECURITIES SDN BHD	74 Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3351 533	012-005
MALACCA SECURITIES SDN BHD	1735-B, Jalan Sri Putri 4 Taman Putri Kulai 81000 Kulaijaya Johor Darul Takzim Tel No.: 07-6638 877	012-010
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316 992	093-005

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>JOHOR DARUL TAKZIM (CONT'D)</u>		
PM SECURITIES SDN BHD	Ground & 1 st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4333 608	064-008
RHB INVESTMENT BANK BERHAD	6 th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-2788 821	087-006
RHB INVESTMENT BANK BERHAD	53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380 288	087-009
RHB INVESTMENT BANK BERHAD	No. 33-1, 1 st & 2 nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 262	087-025
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577 628	087-029
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321 543	087-030
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No.: 07-7769 655	087-031
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-6626 288	087-035

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>JOHOR DARUL TAKZIM (CONT'D)</u>		
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-9787 180	087-038
RHB INVESTMENT BANK BERHAD	No. 2, 1 st Floor Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-9256 881	087-039
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3522 293	087-043
TA SECURITIES HOLDINGS BERHAD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No.: 07-9435 278	058-009
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3332 000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6637 398	078-005
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 70, Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3513 218	078-006
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 171 Ground Floor Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No.: 07-5121 633	078-008

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>KELANTAN DARUL NAIM</u>		
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-7430 077	087-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7432 288	058-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 st Floor Lot 712, Sek 9, PT62 Jalan Tok Hakim Bandar Kota Bharu 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7473 906	078-015
<u>PAHANG DARUL MAKMUR</u>		
ALLIANCE INVESTMENT BANK BERHAD	Ground, Mezzanine & 1st Floor B-400 Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660 800	076-002
CIMB INVESTMENT BANK BERHAD	Ground 1 st & 2 nd Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-5057 800	065-007
JUPITER SECURITIES SDN BHD	2 nd Floor, Lot No. 25 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 136	055-005
KENANGA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171 698	073-027
MALACCA SECURITIES SDN BHD	P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 09-2220 993	012-008

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>PAHANG DARUL MAKMUR (CONT'D)</u>		
RHB INVESTMENT BANK BERHAD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5173 811	087-007
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 943	087-022
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-4914 913	087-041
<u>TERENGGANU DARUL IMAN</u>		
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6238 128	021-001
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-8583 109	087-027
RHB INVESTMENT BANK BERHAD	1 st Floor No. 59, Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816	087-055
UOB KAY HIAN SECURITIES (M) SDN BHD	37-B, 1 st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6224 766	078-016

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>SABAH</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Suite 1-9-E1, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
CIMB INVESTMENT BANK BERHAD	1 st & 2 nd Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-001
KENANGA INVESTMENT BANK BERHAD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	073-032
RHB INVESTMENT BANK BERHAD	2 nd Floor No. 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-269 788	087-010
RHB INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No.: 089-229 286	087-057
UOB KAY HIAN SECURITIES (M) SDN BHD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No.: 088-234 090	078-011
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 177 & 178 Ground Floor, Block 17 Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No.: 089-218 681	078-012
<u>SARAWAK</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Ground Floor & 1 st Floor No. 1, Jalan Pending 93450 Kuching Sarawak Tel No.: 082-341 999	068-005

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	ADA Code
<u>SARAWAK (CONT'D)</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 282, 1 st Floor Park City Commercial Centre Phase 4 Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008	068-016
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1 st Floor, Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-001
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 606	065-001
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No.: 084-367 700	065-008
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12, Ground & 1 st Floor Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No.: 084-313 855	073-012
KENANGA INVESTMENT BANK BERHAD	Ground Floor, Survey Lot No. 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000 Bintulu Sarawak Tel No.: 086-337 588	073-018

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>SARAWAK (CONT'D)</u>		
KENANGA INVESTMENT BANK BERHAD	Yung Kong Abell Suite 9 & 10, 3 rd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-248 877	073-036
MERCURY SECURITIES SDN BHD	1 st Floor No.16, Jalan Getah 96100 Sarikei Sarawak Tel No.: 084-659 019	093-007
RHB INVESTMENT BANK BERHAD	Yung Kong Abell Units No. 1-10, 2 nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-250 888	087-008
RHB INVESTMENT BANK BERHAD	2 nd Floor, Lot 1268 & Lot 1269 Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-422 788	087-012
RHB INVESTMENT BANK BERHAD	102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No.: 084-329 100	087-013
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	087-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I, Jalan Kampong Datu 96000 Sibu Sarawak Tel No.: 084-319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2 nd Floor, Bangunan Binamas Lot 138, Section 54 Jalan Padungan 93100 Kuching Sarawak Tel No.: 082-236 333	058-006

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
<u>SARAWAK (CONT'D)</u>		
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & First Floor No.16 Lorong Intan 6 96000 Sibul Sarawak Tel No.: 084-252 737	078-018

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