

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	Note	Individual quarter		Cumulative quarter	
		Current year quarter	Preceding year quarter	Current year-to-date	Preceding year-to-date
		30/09/2016 RM'000	30/09/2015 <sup>(2)</sup> RM'000	30/09/2016 RM'000	30/09/2015 <sup>(2)</sup> RM'000
<b>Revenue</b>		28,835	N/A	87,911	N/A
Cost of sales		(20,506)	N/A	(60,853)	N/A
<b>Gross profit</b>		8,329	N/A	27,058	N/A
Other income		601	N/A	1,153	N/A
Distribution costs		(1,769)	N/A	(5,849)	N/A
Administration expenses		(2,473)	N/A	(7,969)	N/A
Finance costs		(46)	N/A	(189)	N/A
<b>Profit before tax</b>		4,642	N/A	14,204	N/A
Tax expense	B5	(865)	N/A	(2,981)	N/A
<b>Profit for the period</b>		3,777	N/A	11,223	N/A
Other comprehensive income, net of tax		-	N/A	-	N/A
<b>Total comprehensive income</b>		3,777	N/A	11,223	N/A
<b>Profit attributable to:</b>					
Owners of the parent		3,643	N/A	11,006	N/A
Non-controlling interests		134	N/A	217	N/A
		3,777	N/A	11,223	N/A
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		3,643	N/A	11,006	N/A
Non-controlling interests		134	N/A	217	N/A
		3,777	N/A	11,223	N/A
<b>Earnings per ordinary share attributable to owners of the parent:</b>					
- Basic (sen)	B11	2.94	N/A	8.88	N/A
- Diluted (sen)	B11	N/A	N/A	N/A	N/A

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 29 November 2016 and the accompanying explanatory notes attached to these interim financial statements.
- (2) No comparative figures for the preceding year's quarter and preceding year-to-date are available as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A Not applicable.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016**

	Note	As at 30/09/2016 RM'000	As at 31/12/2015 <sup>(2)</sup> RM'000
<b>Non-current assets</b>			
Property, plant and equipment		23,295	N/A
Other investment		4	N/A
		<u>23,299</u>	<u>N/A</u>
<b>Current assets</b>			
Inventories		20,810	N/A
Trade and other receivables		29,324	N/A
Cash and bank balances		20,004	N/A
		<u>70,138</u>	<u>N/A</u>
<b>Total assets</b>		<u>93,437</u>	<u>N/A</u>
<b>Equity attributable to owners of the parent</b>			
Share capital		61,939	N/A
Reorganisation debit balance <sup>(3)</sup>		(59,489)	N/A
Retained earnings	B12	64,160	N/A
<b>Total equity</b>		<u>66,610</u>	<u>N/A</u>
<b>Non-current liabilities</b>			
Borrowings	B8	3,985	N/A
Deferred tax liabilities		366	N/A
		<u>4,351</u>	<u>N/A</u>
<b>Current Liabilities</b>			
Trade and other payables		18,634	N/A
Borrowings	B8	2,377	N/A
Current tax liabilities		1,465	N/A
		<u>22,476</u>	<u>N/A</u>
<b>Total liabilities</b>		<u>26,827</u>	<u>N/A</u>
<b>Total equity and liabilities</b>		<u>93,437</u>	<u>N/A</u>
<b>Net assets per share attributable to owners of the parent (RM) <sup>(4)</sup></b>		0.54	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2016 (continued)**

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 29 November 2016 and the accompanying explanatory notes attached to these interim financial statements.
  - (2) No comparative figures for the preceding year are available as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
  - (3) Reorganisation debit balance is derived from the difference of new shares issued by the Company to acquire Rhone Ma Malaysia Sdn Bhd and the reversal of issued and paid-up share capital of Rhone Ma Malaysia Sdn Bhd pursuant to the reorganization.
  - (4) Based on the issued and paid-up share capital of 123,878,000 ordinary shares after the completion of the Internal Restructuring and Acquisitions but before the Initial Public Offering (as detailed in Note B7).
- N/A Not applicable.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	<----- Attributable to owners of the parent ----->					
	<----- Non-distributable ----->		Distributable		Non-controlling	
	Share capital	Reorganisation debit balance	Retained earnings	Total	interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2016</b>	2,450	-	53,154	55,604	1,324	56,928
Profit for the financial year	-	-	11,006	11,006	217	11,223
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	11,006	11,006	217	11,223
Transactions with owners:						
Issuance of new ordinary shares	61,939	-	-	61,939	-	61,939
Acquisition of subsidiaries	(2,450)	(59,489)	-	(61,939)	-	(61,939)
Acquisition of additional interest in a subsidiary	-	-	-	-	(1,541)	(1,541)
	59,489	(59,489)	-	#	(1,541)	(1,541)
<b>Balance as at 30 September 2016</b>	61,939	(59,489)	64,160	66,610	-	66,610

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 29 November 2016 and the accompanying explanatory notes attached to these interim financial statements.
  - (2) No comparative figures for the preceding year are available as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- # Represents RM1.00.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	<b>Current year- to-date 30/09/2016 RM'000</b>	<b>Preceding year-to-date 30/09/2015<sup>(2)</sup> RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	14,204	N/A
Adjustments for:		N/A
Depreciation of property, plant and equipment	918	N/A
Inventories written down	270	N/A
Inventories written off	118	N/A
Interest expense	189	N/A
Interest income	(104)	N/A
Gain on bargaining purchase of subsidiaries	(703)	N/A
Operating profit before working capital changes	14,892	N/A
Changes in working capital:		N/A
Increase in inventories	(1,428)	N/A
Increase in trade and other receivables	(957)	N/A
Increase in trade and other payables	609	N/A
Cash generated from operations	13,116	N/A
Tax paid	(2,478)	N/A
Net cash from operating activities	10,638	N/A
<b>Cash flows from investing activities</b>		
Acquisition of additional interest in a subsidiary	(1,324)	N/A
Acquisition of subsidiaries	(1,063)	N/A
Purchase of property, plant and equipment	(112)	N/A
Interest received	104	N/A
Net cash used in investing activities	(2,395)	N/A
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(1,652)	N/A
Interest paid	(189)	N/A
Proceeds from issuance of shares	#	N/A
Net cash used in financing activities	(1,841)	N/A
Net increase in cash and cash equivalents	6,402	N/A
Cash and cash equivalents at beginning of financial period	13,602	N/A
Cash and cash equivalents at end of financial period	20,004	N/A

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 29 November 2016 and the accompanying explanatory notes attached to these interim financial statements.
- (2) No comparative figures for the preceding year are available as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

# Represents RM1.00.

N/A Not applicable.

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

The unaudited interim financial statements have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This is the first interim financial report on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as such, there are no comparative figures for the preceding year’s corresponding period.

These interim financial statements should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 29 November 2016 and the accompanying explanatory notes attached to these interim financial statements.

**A2. Significant accounting policies**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited combined financial statements of the Group for the financial year ended 31 December 2015 as disclosed in the Accountants’ Report in the Prospectus of the Company dated 29 November 2016.

**A3. Auditors’ report**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2015.

**A4. Seasonal or cyclical factors**

The business operations of the Group were not materially affected by any seasonal and cyclical factors during the current quarter and financial year-to-date under review.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date under review.

**A6. Changes in estimates**

There were no changes in estimates that have a material effect in the current quarter and financial year-to-date under review.

**A7. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current quarter and financial year-to-date under review except for those disclosed in Note B7.

**A8. Dividend**

There were no dividends being paid during the current quarter and financial year-to-date under review.

**A9. Segmental information**

The Group's operating segments are animal health products, food ingredients and others. These operating segments are required to be organised and managed separately according to the nature of products and services as well as specific expertise which require different business and marketing strategies. The segmental results are as follows:

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2016 RM'000	Preceding year quarter 30/09/2015 <sup>(1)</sup> RM'000	Current year- to-date 30/09/2016 RM'000	Preceding year-to-date 30/09/2015 <sup>(1)</sup> RM'000
<b>Revenue</b>				
Animal health products	21,633	N/A	68,731	N/A
Food ingredients	7,202	N/A	19,180	N/A
Others	-	N/A	-	N/A
	<u>28,835</u>	<u>N/A</u>	<u>87,911</u>	<u>N/A</u>
<b>Profit before tax</b>				
Animal health products	4,399	N/A	13,782	N/A
Food ingredients	342	N/A	715	N/A
Others	(99)	N/A	(293)	N/A
	<u>4,642</u>	<u>N/A</u>	<u>14,204</u>	<u>N/A</u>

Notes:

(1) No comparative figures for the preceding year are available as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A Not applicable.

**A10. Property, plant and equipment**

(i) Acquisitions and disposals

There were no material acquisitions and disposals during the current quarter and financial year-to-date under review.

(ii) Impairment losses

There were no impairment losses during the current quarter and financial year-to-date under review.

(iii) Valuation

The Group has not carried out any valuation on its property, plant and equipment during the current quarter and financial year-to-date under review.

**A11. Material events subsequent to the end of the quarter**

Save as disclosed in Note B7, there were no other material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

**A12. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial year-to-date under review, except as disclosed in Note B7.

**A13. Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets as at the date of this report.

**A14. Capital commitments**

The capital commitments of the Group as at the end of the quarter under review were as follows:

	<b>RM'000</b>
Approved and contracted for:	
- Machineries and equipment	<u>5,426</u>

**A15. Significant related party transactions**

There were no significant related party transactions during the current quarter and financial year-to-date under review.



**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD**

**B1. Review of performance**

The Group recorded revenue of RM28.84 million and profit before tax of RM4.64 million for the current quarter. The Group's revenue comprised mainly of sale of animal health products including vaccines, pharmaceuticals and feed additives, which contributed RM21.63 million of the Group's total revenue and RM4.40 million of the Group's profit before tax for the current quarter. The Group's remaining revenue was derived from food ingredients.

For the financial year-to-date under review, the Group recorded revenue of RM87.91 million and profit before tax of RM14.20 million. Revenue from animal health products contributed RM68.73 million of the Group's total revenue and RM13.78 million of the Group's profit before tax for the financial year-to-date. The Group's remaining revenue was derived from food ingredients which accounted for RM19.18 million of the Group's revenue and RM0.72 million of profit before tax respectively.

There are no comparative figures for the preceding year's corresponding quarter as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**B2. Material changes in the quarterly results compared to the immediate preceding quarter**

There are no comparative figures for the immediate preceding quarter as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**B3. Prospects**

As outlined in the Prospectus of the Company dated 29 November 2016, the Group's future plans and strategies will focus on the expansion of its manufacturing activities by constructing and operating a new GMP-compliant plant in Nilai, Negeri Sembilan Darul Khusus which will increase its production capacity by approximately four (4) times of the existing maximum production capacity. In addition, the Group will focus on the expansion of its product range which includes in-house developed products and products from third party international animal health products manufacturers. The Group also intend to expand its market presence in the existing regional markets as part of its future plans.

Barring any unforeseen circumstances, the Board is optimistic about the Group's performance for the current financial year.

**B4. Profit forecast**

The Group has not issued any profit forecast in any form of public documentation and announcement.

**B5. Tax expense**

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2016 RM'000	Preceding year quarter 30/09/2015 <sup>(1)</sup> RM'000	Current year-to-date 30/09/2016 RM'000	Preceding year-to-date 30/09/2015 <sup>(1)</sup> RM'000
Current taxation	1,118	N/A	3,234	N/A
Over provision in prior years	(253)	N/A	(253)	N/A
	<u>865</u>	<u>N/A</u>	<u>2,981</u>	<u>N/A</u>

Notes:

(1) No comparative figures for the preceding year are available as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A Not applicable.

The effective tax rate of the Group for the current quarter and financial year-to-date of 18.63% and 20.99% respectively were lower than the statutory tax rate of 24.00%. This was due principally to one of the Company's subsidiaries, Asia-Pacific Special Nutrients Sdn Bhd ("APSN") 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.

**B6. Notes to the Condensed Consolidated Statement of Comprehensive Income**

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2016 RM'000	Preceding year quarter 30/09/2015 <sup>(1)</sup> RM'000	Current year-to-date 30/09/2016 RM'000	Preceding year-to-date 30/09/2015 <sup>(1)</sup> RM'000
<b>Profit before tax is arrived at after charging:</b>				
Depreciation of property, plant and equipment	311	N/A	918	N/A
Inventories written down	90	N/A	270	N/A
Inventories written off	33	N/A	118	N/A
Interest expense	46	N/A	189	N/A
Loss on foreign exchange	193	N/A	-	N/A
<b>And after crediting:</b>				
Gain on foreign exchange	-	N/A	283	N/A
Interest income	39	N/A	104	N/A

Notes:

(1) No comparative figures for the preceding year are available as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A Not applicable.

Save for the above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**B7. Status of corporate proposals**

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad, the following transactions were /are undertaken by the Company:

**(i) Internal Restructuring**

- (a) Acquisition of the remaining shares in Link Ingredients Sdn Bhd (“LINK”) not already owned by Rhone Ma Malaysia Sdn Bhd (“RMM”) for a purchase consideration of RM1,323,746 satisfied via cash.
- (b) Acquisition of the entire equity interest in Vet Food Agro Diagnostics Sdn Bhd (“VFAD”) by RMM for a purchase consideration of RM2,332,119 satisfied via cash.

The above transactions were completed on 27 September 2016.

**(ii) Acquisitions**

- (a) Acquisition of the entire equity interest in RMM by the Company for a purchase consideration of RM61,938,999 satisfied by the issuance of 123,877,998 new ordinary shares of RM0.50 each in the Company at par value.
- (b) Acquisition of the entire equity interest in APSN by the Company for a purchase consideration of RM1,000,002 reflected as amount owing by the Company to RMM.
- (c) Acquisition of the entire equity interest in LINK by the Company for a purchase consideration of RM250,000 reflected as amount owing by the Company to RMM.
- (d) Acquisition of the entire equity interest in VFAD by the Company for a purchase consideration of RM30,000 reflected as amount owing by the Company to RMM.

Transaction (a) was completed on 28 September 2016 and transactions (b), (c) and (d) were completed on 29 September 2016.

**(iii) Initial Public Offering**

On 29 November 2016, the Company issued its prospectus and undertook a public issue of 42,122,000 new ordinary shares of RM0.50 each (“Public Issue Shares”), representing approximately 25.37% of the Company’s enlarged issued and paid-up share capital to be allocated in the following manner:

- (a) 8,300,000 Public Issue Shares available for application by Malaysian citizens, companies, societies, co-operatives and institutions;
- (b) 7,822,000 Public Issue Shares available for application by the eligible directors and employees of the Group and other persons who have contributed to the success of the Group;

- (c) 16,600,000 Public Issue 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 Public Issue Shares available for application by way of private placement to selected investors.

**(iv) Listing**

The listing of and quotation for the Company's enlarged issued and paid-up share capital of RM83,000,000 comprising 166,000,000 ordinary shares of RM0.50 each on the Main Market of Bursa Malaysia Securities Berhad is expected to be completed on 19 December 2016.

**(v) Utilisation of Proceeds**

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

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

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 29 November 2016.

**B8. Borrowings**

The Group's borrowings as at 30 September 2016 are as follows:

	As at 30/09/2016 RM'000	As at 31/12/2015 <sup>(1)</sup> RM'000
<b>Non-current liabilities (secured)</b>		
Term loans	3,675	N/A
Hire purchase creditors	310	N/A
	<u>3,985</u>	<u>N/A</u>
<b>Current liabilities (secured)</b>		
Term loans	1,440	N/A
Hire purchase creditors	161	N/A
Bankers' acceptance	776	N/A
	<u>2,377</u>	<u>N/A</u>
<b>Total borrowings</b>	<b><u>6,362</u></b>	<b><u>N/A</u></b>

All borrowings are denominated in Ringgit Malaysia.

Notes:

(1) No comparative figures for the preceding year are available as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A Not applicable.

**B9. Material litigation**

There is no litigation which has a material effect on the financial position of the Group and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings as at the date of this report.

**B10. Dividend**

No dividend has been declared or recommended for payment by the Company during the current quarter and financial year-to-date under review.

**B11. Earnings per share**

(a) Basic earnings per share

Basic earnings per share is computed based on the profit attributable to owners of the parent divided by the weighted average number of ordinary shares in issue for the period under review.

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2016	Preceding year quarter 30/09/2015 <sup>(1)</sup>	Current year-to-date 30/09/2016	Preceding year-to-date 30/09/2015 <sup>(1)</sup>
Profit attributable to owners of the parent (RM'000)	3,643	N/A	11,006	N/A
Weighted average number of ordinary shares in issue ('000) <sup>(2)</sup>	123,878	N/A	123,878	N/A
Basic earnings per share (sen)	2.94	N/A	8.88	N/A

Notes:

(1) No comparative figures for the preceding year are available as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(2) Based on the issued and paid-up share capital of 123,878,000 ordinary shares after the completion of the Internal Restructuring and Acquisitions but before the Initial Public Offering (as detailed in Note B7).

N/A Not applicable.

(b) Diluted earnings per share

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the quarter under review.

**B12. Realised and unrealised profits or losses**

	<b>As at 30/09/2016 RM'000</b>	<b>As at 31/12/2015 <sup>(1)</sup> RM'000</b>
<b>Total retained earnings of the Group</b>		
Realised	63,794	N/A
Unrealised	<u>366</u>	<u>N/A</u>
	<u>64,160</u>	<u>N/A</u>

Notes:

(1) No comparative figures for the preceding year are available as these are the first interim financial statements on the consolidated results for the third quarter ended 30 September 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A Not applicable.