

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

| | Note | Individual quarter | | Cumulative quarter | |
|---|--------|--|---|--|---|
| | | Current year quarter 31/12/2016 RM'000 | Preceding year quarter 31/12/2015 ⁽²⁾ RM'000 | Current year-to-date 31/12/2016 RM'000 | Preceding year-to-date 31/12/2015 ⁽²⁾ RM'000 |
| Revenue | | 31,284 | N/A | 119,195 | N/A |
| Cost of sales | | (22,940) | N/A | (83,793) | N/A |
| Gross profit | | 8,344 | N/A | 35,402 | N/A |
| Other income | | 197 | N/A | 1,350 | N/A |
| Distribution costs | | (1,661) | N/A | (7,510) | N/A |
| Administration expenses | | (3,586) | N/A | (11,555) | N/A |
| Finance costs | | (137) | N/A | (326) | N/A |
| Listing expenses | | (4,141) | N/A | (4,141) | N/A |
| Profit / (loss) before tax | A5, B2 | (984) | N/A | 13,220 | N/A |
| Tax expense | B5 | (856) | N/A | (3,837) | N/A |
| Profit / (loss) for the period | | (1,840) | N/A | 9,383 | N/A |
| Other comprehensive income, net of tax | | - | N/A | - | N/A |
| Total comprehensive income / (loss) | | (1,840) | N/A | 9,383 | N/A |
| Profit / (loss) attributable to: | | | | | |
| Owners of the parent | | (1,840) | N/A | 9,166 | N/A |
| Non-controlling interests | | - | N/A | 217 | N/A |
| | | (1,840) | N/A | 9,383 | N/A |
| Total comprehensive income / (loss) attributable to: | | | | | |
| Owners of the parent | | (1,840) | N/A | 9,166 | N/A |
| Non-controlling interests | | - | N/A | 217 | N/A |
| | | (1,840) | N/A | 9,383 | N/A |
| Earnings / (loss) per ordinary share attributable to owners of the parent: | | | | | |
| - Basic (sen) | B11 | (1.11) | N/A | 5.52 | 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 second interim financial statements on the consolidated results for the fourth quarter ended 31 December 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 31 DECEMBER 2016

| | Note | As at 31/12/2016 RM'000 | As at 31/12/2015 ⁽²⁾ RM'000 |
|--|------|-------------------------------|--|
| Non-current asset | | | |
| Property, plant and equipment | | 23,109 | N/A |
| Current assets | | | |
| Inventories | | 23,758 | N/A |
| Trade and other receivables | | 28,243 | N/A |
| Current tax assets | | 23 | N/A |
| Cash and bank balances | | 45,073 | N/A |
| | | <u>97,097</u> | <u>N/A</u> |
| Total assets | | <u>120,206</u> | <u>N/A</u> |
| Equity attributable to owners of the parent | | | |
| Share capital | | 83,000 | N/A |
| Share premium account | | 9,115 | N/A |
| Reorganisation debit balance ⁽³⁾ | | (59,489) | N/A |
| Retained earnings | B12 | 62,537 | N/A |
| Total equity | | <u>95,163</u> | <u>N/A</u> |
| Non-current liabilities | | | |
| Borrowings | B8 | 3,693 | N/A |
| Deferred tax liabilities | | 276 | N/A |
| | | <u>3,969</u> | <u>N/A</u> |
| Current Liabilities | | | |
| Trade and other payables | | 17,931 | N/A |
| Borrowings | B8 | 1,550 | N/A |
| Current tax liabilities | | 1,593 | N/A |
| | | <u>21,074</u> | <u>N/A</u> |
| Total liabilities | | <u>25,043</u> | <u>N/A</u> |
| Total equity and liabilities | | <u>120,206</u> | <u>N/A</u> |
| Net assets per share attributable to owners of the parent (RM) ⁽⁴⁾ | | 0.57 | N/A |

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 second interim financial statements on the consolidated results for the fourth quarter ended 31 December 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 166,000,000 ordinary shares as at 31 December 2016.
- N/A Not applicable.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

| | <----- Attributable to owners of the parent -----> | | | | | | |
|--|--|---------------------------------------|---|--------------------------------|---|--|------------------------|
| | <----- Non-distributable -----> | | | Distributable | | | |
| | Share capital RM'000 | Share premium account RM'000 | Reorganisation debit balance RM'000 | Retained earnings RM'000 | Total attributable to owners of the parent RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
| Balance as at 1 January 2016 | 2,450 | - | - | 53,154 | 55,604 | 1,324 | 56,928 |
| Profit for the financial year | - | - | - | 9,166 | 9,166 | 217 | 9,383 |
| Other comprehensive income, net of tax | - | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | 9,166 | 9,166 | 217 | 9,383 |
| Transactions with owners: | | | | | | | |
| Issuance of new ordinary shares | 83,000 | 10,530 | - | - | 93,530 | - | 93,530 |
| Share issuance expenses | - | (1,415) | - | - | (1,415) | - | (1,415) |
| Acquisition of a subsidiary | (2,450) | - | (59,489) | - | (61,939) | - | (61,939) |
| Acquisition of additional interest in a subsidiary | - | - | - | 217 | 217 | (1,541) | (1,324) |
| | 80,550 | 9,115 | (59,489) | 217 | 30,393 | (1,541) | 28,852 |
| Balance as at 31 December 2016 | 83,000 | 9,115 | (59,489) | 62,537 | 95,163 | - | 95,163 |

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 second interim financial statements on the consolidated results for the fourth quarter ended 31 December 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

| | Current year- to-date 31/12/2016 RM'000 | Preceding year-to-date 31/12/2015 ⁽²⁾ RM'000 |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before tax | 13,220 | N/A |
| Adjustments for: | | N/A |
| Depreciation of property, plant and equipment | 1,302 | N/A |
| Inventories written back | (408) | N/A |
| Inventories written off | 204 | N/A |
| Unrealised loss on foreign currency translations | 169 | N/A |
| Interest expense | 326 | N/A |
| Listing expenses | 2,789 | N/A |
| Interest income | (124) | N/A |
| Gain on bargaining purchase of subsidiaries | (486) | N/A |
| Gain on disposal of other investment | (18) | N/A |
| Operating profit before working capital changes | <u>16,974</u> | N/A |
| Changes in working capital: | | N/A |
| Increase in inventories | (3,784) | N/A |
| Increase in trade and other receivables | (2,665) | N/A |
| Decrease in trade and other payables | <u>(262)</u> | N/A |
| Cash generated from operations | 10,263 | N/A |
| Tax paid | <u>(3,319)</u> | N/A |
| Net cash from operating activities | <u>6,944</u> | N/A |
| Cash flows from investing activities | | |
| Acquisition of additional interest in a subsidiary | (1,324) | N/A |
| Acquisition of subsidiaries | (1,063) | N/A |
| Purchase of property, plant and equipment | (311) | N/A |
| Proceeds from disposal of other investment | 22 | N/A |
| Interest received | 124 | N/A |
| Net cash used in investing activities | <u>(2,552)</u> | N/A |
| Cash flows from financing activities | | |
| Repayment of borrowings | (2,770) | N/A |
| Interest paid | (326) | N/A |
| Net proceeds from issuance of shares | <u>30,175</u> | N/A |
| Net cash from financing activities | <u>27,079</u> | N/A |
| Net increase in cash and cash equivalents | 31,471 | N/A |
| Cash and cash equivalents at beginning of financial period | <u>13,602</u> | N/A |
| Cash and cash equivalents at end of financial period | <u><u>45,073</u></u> | <u><u>N/A</u></u> |

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 second interim financial statements on the consolidated results for the fourth quarter ended 31 December 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 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 second interim financial report on the consolidated results for the fourth quarter ended 31 December 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 except for the one-off cost related to listing expenses amounting to approximately RM5.56 million where approximately RM1.42 million was written off against the share premium account and the balance of approximately RM4.14 million was charged to the statement of profit or loss of the Group.

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 the issuance of 42,122,000 new ordinary shares of RM0.50 each at an issue price of RM0.75 per share pursuant to the Initial Public Offering which such shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 19 December 2016.

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 | Preceding year quarter | Current year- to-date | Preceding year-to-date |
| | 31/12/2016 RM'000 | 31/12/2015 ⁽¹⁾ RM'000 | 31/12/2016 RM'000 | 31/12/2015 ⁽¹⁾ RM'000 |
| Revenue | | | | |
| Animal health products | 23,380 | N/A | 92,111 | N/A |
| Food ingredients | 7,314 | N/A | 26,494 | N/A |
| Others | 590 | N/A | 590 | N/A |
| | <u>31,284</u> | <u>N/A</u> | <u>119,195</u> | <u>N/A</u> |
| Profit / (loss) before tax | | | | |
| Animal health products | 3,065 | N/A | 16,847 | N/A |
| Food ingredients | 257 | N/A | 972 | N/A |
| Others | (4,306) | N/A | (4,599) | N/A |
| | <u>(984)</u> | <u>N/A</u> | <u>13,220</u> | <u>N/A</u> |

Notes:

(1) No comparative figures for the preceding year are available as these are the second interim financial statements on the consolidated results for the fourth quarter ended 31 December 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

There were no 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.

Subsequent to the end of the current quarter, Asia-Pacific Special Nutrients Sdn Bhd, a wholly-owned subsidiary of the Company had on 20 January 2017, incorporated a wholly-owned subsidiary known as APSN Biotech Sdn Bhd which intended principal activities comprise trading in biotechnology and animal health products and provision of related services.

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:

| | RM'000 |
|------------------------------|---------------|
| 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 approximately RM31.28 million and loss before tax of approximately RM0.98 million for the current quarter after a one-off charge of the listing expenses amounting to approximately RM4.14 million. The Group's revenue comprised mainly of sale of animal health products including vaccines, pharmaceuticals and feed additives, which contributed approximately RM23.38 million of the Group's total revenue and approximately RM3.07 million of the Group's profit before tax for the current quarter. Revenue from food ingredients for the current quarter was approximately RM7.31 million, giving rise to profit before tax of approximately RM0.26 million. The Group's remaining revenue was derived from the provision of animal health services.

For the financial year under review, the Group recorded revenue of approximately RM119.20 million and profit before tax of approximately RM13.22 million after a one-off charge of the listing expenses amounting to approximately RM4.14 million. Revenue from animal health products contributed approximately RM92.11 million of the Group's total revenue and approximately RM16.85 million of the Group's profit before tax for the financial year. Revenue from food ingredients for the financial year was approximately RM26.49 million, contributing approximately RM0.97 million to the Group's profit before tax. The Group's remaining revenue of approximately RM0.59 million was derived from the provision of animal health services.

There are no comparative figures for the preceding year's corresponding quarter as these are the second interim financial statements on the consolidated results for the fourth quarter ended 31 December 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

The Group's revenue of approximately RM31.28 million for the current quarter was approximately RM2.44 million higher as compared to the revenue reported for the preceding quarter of approximately RM28.84 million. The increase was primarily due to stronger sales of animal health products during the current quarter.

Despite the increase in revenue, the Group reported a loss before tax for the current quarter of approximately RM0.98 million as compared to a profit before tax of approximately RM4.64 million for the preceding quarter. This was mainly due to the one-off charge of the listing expenses amounting to approximately RM4.14 million during the current quarter.

For information purposes only, the Group's profit before tax after adjusting for the one-off charge of listing expenses of the Group is as follows:

| | Individual quarter Current year quarter 31/12/2016 | Cumulative quarter Current year-to-date 31/12/2016 |
|--|---|---|
| Profit / (loss) before tax | (984) | 13,220 |
| Add: Listing expenses | 4,141 | 4,141 |
| Profit before tax (excluding listing expenses) | <u>3,157</u> | <u>17,361</u> |

B3. Prospects

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.

The Group will strive to protect its market position by staying focused on its core business strategies and at the same time actively seeking opportunities for growth. Barring any unforeseen circumstances, the Board is optimistic about the Group's performance for 2017.

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 31/12/2016 RM'000 | Preceding year quarter 31/12/2015 ⁽¹⁾ RM'000 | Current year-to-date 31/12/2016 RM'000 | Preceding year-to-date 31/12/2015 ⁽¹⁾ RM'000 |
| Current tax | | | | |
| Current year | 957 | N/A | 4,191 | N/A |
| Over provision in prior years | (11) | N/A | (264) | N/A |
| Deferred tax | | | | |
| Current year | (65) | N/A | (65) | N/A |
| Over provision in prior years | (25) | N/A | (25) | N/A |
| | <u>856</u> | <u>N/A</u> | <u>3,837</u> | <u>N/A</u> |

Notes:

(1) No comparative figures for the preceding year are available as these are the second interim financial statements on the consolidated results for the fourth quarter ended 31 December 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A Not applicable.

Although the Group recorded loss before tax of approximately RM0.98 million for the current quarter, the tax expense for the current quarter amounting to approximately RM0.86 million was due mainly to the one-off charge of the listing expenses amounting to approximately RM4.14 million which was non-tax deductible.

For the financial year under review, the effective tax rate of the Group of 29.02% was higher than the statutory tax rate of 24.00% due mainly to the one-off charge of the listing expenses amounting to approximately RM4.14 million which was non-tax deductible.

B6. Notes to the Condensed Consolidated Statement of Comprehensive Income

| | Individual quarter | | Cumulative quarter | |
|---|-------------------------|---------------------------|-------------------------|---------------------------|
| | Current year quarter | Preceding year quarter | Current year-to-date | Preceding year-to-date |
| | 31/12/2016 | 31/12/2015 ⁽¹⁾ | 31/12/2016 | 31/12/2015 ⁽¹⁾ |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit / (loss) before tax is arrived at after charging / (crediting): | | | | |
| Depreciation of property, plant and equipment | 383 | N/A | 1,302 | N/A |
| Inventories written off | 86 | N/A | 204 | N/A |
| Interest expense | 137 | N/A | 326 | N/A |
| Loss on foreign exchange | 807 | N/A | 524 | N/A |
| Inventories written back | (678) | N/A | (408) | N/A |
| Interest income | (19) | N/A | (124) | N/A |

Notes:

(1) No comparative figures for the preceding year are available as these are the second interim financial statements on the consolidated results for the fourth quarter ended 31 December 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.

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- (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 was completed on 19 December 2016.

(v) Utilisation of Proceeds

The status of utilisation of proceeds of approximately RM31.59 million from the Initial Public Offering as at 31 December 2016 is as follows:

| Details of the utilisation of proceeds | Proposed utilisation RM’000 | Actual utilisation RM’000 | Deviation RM’000 | Balance unutilised RM’000 | Estimated timeframe for utilisation |
|--|--------------------------------|------------------------------|----------------------|------------------------------|-------------------------------------|
| Capital expenditure | 24,500 | 862 | - | 23,638 | Within 24 months |
| Working capital | 2,092 | - | (557) ⁽¹⁾ | 1,535 | Within 24 months |
| Estimated listing expenses | 5,000 | 5,557 | 557 ⁽¹⁾ | - | Within 3 months |
| Total | 31,592 | 6,419 | - | 25,173 | |

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Note:

- (1) The actual listing expenses incurred were more than the estimated listing expenses by approximately RM0.56 million due mainly to higher than expected incidental charges incurred in conjunction with the listing exercise. In accordance with Section 3.8 of the Prospectus of the Company dated 29 November 2016, the additional listing expenses of approximately RM0.56 million were adjusted from the portion allocated for working capital.

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 31 December 2016 are as follows:

| | As at 31/12/2016 RM'000 | As at 31/12/2015 ⁽¹⁾ RM'000 |
|--|-------------------------------|--|
| Non-current liabilities (secured) | | |
| Term loans | 3,426 | N/A |
| Hire purchase creditors | 267 | N/A |
| | <u>3,693</u> | <u>N/A</u> |
| Current liabilities (secured) | | |
| Term loans | 1,387 | N/A |
| Hire purchase creditors | 163 | N/A |
| | <u>1,550</u> | <u>N/A</u> |
| Total borrowings | <u>5,243</u> | <u>N/A</u> |

All borrowings are denominated in Ringgit Malaysia.

Notes:

- (1) No comparative figures for the preceding year are available as these are the second interim financial statements on the consolidated results for the fourth quarter ended 31 December 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

On 21 February 2017, the Board of Directors declared an interim single tier dividend of 2.0 sen per ordinary share totalling RM3.32 million in respect of the financial year ended 31 December 2016, payable on 21 March 2017 to shareholders registered at the close of business on 7 March 2017.

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 | Preceding | Current | Preceding |
| | quarter | year quarter | year-to-date | year-to-date |
| | 31/12/2016 | 31/12/2015 ⁽¹⁾ | 31/12/2016 | 31/12/2015 ⁽¹⁾ |
| Profit / (loss) attributable to owners of the parent (RM'000) | (1,840) | N/A | 9,166 | N/A |
| Weighted average number of ordinary shares in issue ('000) ⁽²⁾ | 166,000 | N/A | 166,000 | N/A |
| Basic earnings / (loss) per share (sen) | <u>(1.11)</u> | <u>N/A</u> | <u>5.52</u> | <u>N/A</u> |

Notes:

- (1) No comparative figures for the preceding year are available as these are the second interim financial statements on the consolidated results for the fourth quarter ended 31 December 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 166,000,000 ordinary shares as at 31 December 2016.
- 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

| | As at 31/12/2016 RM'000 | As at 31/12/2015 ⁽¹⁾ RM'000 |
|---|-------------------------------|--|
| Total retained earnings of the Group | | |
| Realised | 62,981 | N/A |
| Unrealised | (444) | N/A |
| | <u>62,537</u> | <u>N/A</u> |

Notes:

- (1) No comparative figures for the preceding year are available as these are the second interim financial statements on the consolidated results for the fourth quarter ended 31 December 2016 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- N/A Not applicable.