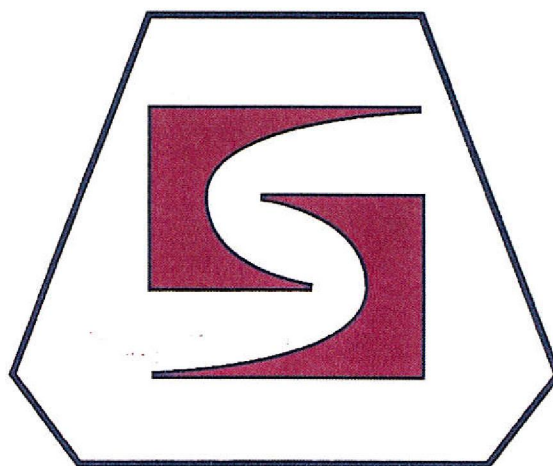




GARCÍA SABATÉ, CASTAÑEDA,
NAVARRETE, S.C.



**CFS Antioxidantes de México,
S.A. de C.V.
(Subsidiary of Camlin Fine
Sciences Ltd.)**

Consolidated Financial Statements

as of March 31, 2018

Independent Auditor's Report



**GARCÍA SABATÉ, CASTAÑEDA,
NAVARRETE, S.C.**

Independent Auditors Report

Mexico City, April 25, 2018

Shareholders' Assembly
CFS Antioxidantes México, S.A. de C.V.
P r e s e n t.

Opinion

We have audited the consolidated financial statements of **CFS Antioxidantes México, S.A. de C.V.**, and subsidiaries (the group) comprising the Consolidated financial statements as of March 31, 2018 and March 31, 2017 and the consolidated statements of profit and loss, changes in consolidated stockholders' equity and consolidated cash flows for the years then ended, as well as the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of **CFS Antioxidantes México, S.A. de C.V.**, as of March 31, 2018 and March 31, 2017 as well as its consolidated results and consolidated cash flows for the years then ended, in accordance with the International Financial Reporting Standards (IFRS).

Basis of opinion

We have conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities, in accordance with these standards, are described below in the section Responsibilities of the auditor in relation to the audit of the consolidated financial statements of this report. We are independent of the Company in accordance with the Code of Professional Ethics of the Mexican Institute of Public Accountants, A.C. (Code of Professional Ethics), together with the ethical requirements that are applicable to our audits of the consolidated financial statements in Mexico, and we have fulfilled all other ethical responsibilities in accordance with those requirements and the Code of Professional Ethics. We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Other information

Management's Responsibilities with Regard to Financial Statements.

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS and the internal control that the company's management deemed necessary to enable the preparation of those financial statements free of material misstatements, due to fraud or error.



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**GARCÍA SABATÉ, CASTAÑEDA,
NAVARRETE, S.C.**

In the preparation of the financial statements, the Company's management is responsible for evaluating the group's ability to continue as a going concern, revealing, where appropriate, the business related issues and using the business accounting principle unless the management of the company intends to liquidate the group or cease its operations, or else there is no more realistic alternative.

Responsibilities of the auditor in relation to the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance that the consolidated financial statements, as a whole, are free from material misstatement, due to fraud or error, and to issue an audit report containing our opinion. Reasonable safety is a high level of safety, but does not guarantee that an audit performed in accordance with ISA will always detect a material deviation when it exists. Deviations may be due to fraud or error and are considered material if, individually or jointly, they can reasonably be expected to influence the economic decisions that users make, when they are based on the consolidated financial statements prepared by management of the company.

As part of an audit in accordance with ISAs, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. As well:

- a) We identify and assess the risks of material deviation in the financial statements, due to fraud or error; we design and apply audit procedures to respond to those risks and obtain audit evidence sufficient and adequate to provide a basis for our opinion. The risk of not detecting fraud due to fraud is higher than in the case of a material error due to fraud, since fraud may involve collusion, falsification, deliberate omissions, misleading statements or circumvention of internal control implemented by the management of the company and relevant to the audit.
- b) We obtain knowledge of the internal control, implemented by the company's management, relevant to the audit, in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- c) We evaluate the adequacy of the accounting policies applied, the reasonableness of accounting estimates and the corresponding information disclosed by the company's management.
- d) We conclude on the adequacy of the management of the group, the accounting principle of business in progress and, based on the audit evidence obtained, we conclude on whether or not there is a material deviation related to facts or conditions that may generate significant doubts about the ability of the group to continue as a going concern. If, we conclude that there is material uncertainty, it is necessary to draw attention in our audit report on the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, to express a modified opinion. Our findings are based on the audit evidence obtained so far from our audit report. Nevertheless; Facts or future conditions usually cause the group to cease to be a going concern.
- e) We evaluate the overall presentation, structure and content of the accompanying consolidated financial statements, including the information disclosed in its notes and, if the accompanying consolidated financial statements represent the underlying transactions and events in a manner that achieves their presentation in reasonable form.



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NAVARRETE S.C.

We communicate to the company's officers, among other things, the scope and timing of the audit and the significant findings of the audit, as well as any significant deficiencies in the internal control relevant to the audit that we identified in the course of the audit.

Yours sincerely,

**GARCIA SABATE, CASTAÑEDA,
NAVARRETE, S.C.**



Javier G. Sabate, C.P.A. and M.B.A



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**GARCÍA SABATÉ, CASTAÑEDA,
NAVARRETE, S.C.**

CFS ANTIOXIDANTES DE MEXICO, S.A. DE C.V.
Consolidate Balance Sheet As At March 31, 2018 to 2017
(Expressed in Mexican Pesos)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		8,712,755	8,243,196	
Capital work-in-progress				
Investment Property				
Goodwill		81,375,026	81,375,026	
Other Intangible Assets				
Intangible Assets under development				
		90,087,781	89,618,222	-
Financial Assets				
Investments				
Loans				
Other financial assets				
Deferred tax assets (net)		446,116	535,719	-
Other non-current assets				
Total Non-current Assets		90,533,897	90,153,941	-
Current Assets				
Inventories	4	90,359,076	98,695,875	
Financial assets				
Investments				
Trade receivables		87,905,997	84,345,040	
Cash and cash equivalents		68,673,066	39,124,788	
Bank balances other than above				
Loans				
Other financial assets				
		156,579,063	123,469,828	-
Current Tax Assets (Net)		20,018,478	19,104,826	
Other current assets		5,246,237	2,326,329	
Total Current Assets		272,202,854	243,596,858	-
TOTAL ASSETS		362,736,751	333,750,799	-
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	9	34,343,000	34,343,000	
Other Equity		57,663,170	25,207,492	
Minority interest		71,604,526	51,761,958	
		163,610,696	111,312,450	-
LIABILITIES				
Non-current Liabilities				
Financial Liabilities				
Borrowings	7	89,070,638	108,739,047	
Other financial liabilities				
		89,070,638	108,739,047	-
Provisions		1,234,558	129,577	
Deferred tax liabilities (net)				

CFS ANTIOXIDANTES DE MEXICO, S.A. DE C.V.
Consolidate Balance Sheet As At March 31, 2018 to 2017
(Expressed in Mexican Pesos)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other non-current liabilities				
Total Non-Current Liabilities		90,305,196	108,868,624	-
Current Liabilities				
Financial Liabilities				
Borrowings	7	18,702,357		
Trade Payables		36,916,945	62,378,160	
Other financial liabilities		41,270,954	38,511,614	
		96,890,256	100,889,774	-
Other current liabilities				
Provisions				
Current tax liabilities (net)	8	11,930,603	12,679,951	
Total Current Liabilities		108,820,859	113,569,725	-
Total Equity And Liabilities		362,736,751	333,750,799	-
Significant Accounting Policies				

CFS ANTIOXIDANTES DE MEXICO, S.A. DE C.V.
Consolidated Statement of Profit and Loss
For the Period April 1 to March 31, 2018 and
For the Inicial Period from May 4 to March 31, 2017
(Expressed in Mexican Pesos)

Statement of Profit and Loss for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	467,839,661	336,265,492
Other income	45,281,808	26,369,155
Total Income	513,121,469	362,634,647
Expenses		
Cost of material consumed		
Excise duty		
Purchases of stock-in-trade	(258,315,388)	(171,415,840)
Changes in inventories of finished goods, stock-in-trade and work in progress	14,077,734	5,840,519
Employee benefits expense	(44,046,561)	(31,267,409)
Finance costs	(5,228,210)	(5,255,658)
Depreciation and amortization expense	(1,670,413)	
Research and development expenses		
Other expenses	(140,426,545)	(94,139,362)
Total Expenses	(435,609,383)	(296,237,750)
Profit Before Tax		
Tax expense		
Current tax	(24,394,454)	(19,627,452)
Deferred tax	(89,603)	(68,833)
Net Tax Expenses	(24,484,057)	(19,696,285)
Minority interests	(20,097,992)	(18,545,049)
Profit / (Loss) for the year	32,930,037	28,155,563
Other Comprehensive Income		
Items that will not be recalssified to profit or loss		
Remeasurements of Defined Benefit Plans		
Income tax relating to Items that will not be recalssified to Profit or Loss		
Total Other Comprehensive Income		
Total Other Comprehensive Income for the year	32,930,037	28,155,563
Earnings Per Equity Share		
Basic	958.86	819.83
Diluted		

Appendix 6 contr..

CFS ANTIOXIDANTES DE MEXICO, S.A. DE C.V.
Changes in Consolidated Stockholders Equity As At March 31, 2018 to 2017
(Expressed in Mexican Pesos)

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the reporting year	34,343,000.00	50,000.00
Add: Issued during the year		34,293,000.00
Balance as at the end of the reporting year	34,343,000.00	34,343,000.00

B Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Deferred Employee Compensation Expense	General Reserve	Retained Earnings		
Balance as at April 1, 2016							-
Profit for the year					28,155,563.00		28,155,563.00
Other Comprehensive Income for the year (net of deferred tax)						30,475.00	30,475.00
Effects of conversion					(2,948,071.00)		(2,948,071.00)
Minority interest						51,731,483.00	51,731,483.00
Balance as at March 31, 2017	-	-	-	-	25,207,492.00	51,761,958.00	76,969,450.00
e.g.							
(i) Profit for the year					32,930,037.00		32,930,037.00
(ii) Other Comprehensive Income for the year (net of deferred tax)						(4,513.00)	(4,513.00)
(iii) Share issue expenses							-
(iv) Fair valuation of Employee Stock Option Scheme							-
Effects of conversion					(474,360.00)	(250,910.00)	(725,270.00)
Minority interest						20,097,992.00	20,097,992.00
Balance as at March 31, 2018	-	-	-	-	57,663,169.00	71,604,527.00	129,267,696.00

CFS ANTIOXIDANTES DE MEXICO, S.A. DE C.V.

Cash Flow Statement As At March 31, 2018 to 2017

(Expressed in Mexican Pesos)

	As of March 31, 2018	As of March 31, 2017
<u>Operational activities</u>		
Integrated fiscal year earnings	\$ 32,930,037	\$ 28,155,563
Items related to investment activities:		
Depreciation and amortization	1,674,413	1,087,685
Interest receivable	(143,056)	(67,946)
Items related to financing activities		
Interest paid	5,228,210	8,135,889
Total	\$ 39,689,604	\$ 37,311,191
Increase in accounts receivable and others	(7,394,517)	(30,765,838)
Tax credit increase	89,603	(20,279,588)
Inventory	8,336,799	(98,695,875)
other accounts payable	(3,944,145)	42,626,369
Net cash flows from operational activities	\$ 36,777,344	\$ (69,803,741)
<u>Investment activities</u>		
Fixed asset acquisition	(2,143,972)	8,257,425
Interest receivable	143,056	67,946
Net cash flows from investment activities	\$ (2,000,916)	\$ 8,325,371
Excess cash to be applied to financing activities	\$ 34,776,428	\$ (61,478,370)
<u>Financing activities</u>		
Bank loan		108,739,047
Interest owed	(5,228,210)	(8,135,889)
Net cash flows for financing activities	\$ (5,228,210)	\$ 100,603,158
Net increase in cash and equivalents	\$ 29,548,218	\$ 39,124,788
Cash and equivalents at start of period	39,124,788	0
Cash and equivalents at end of period	\$ 68,673,006	\$ 39,124,788

CFS ANTIOXIDANTES DE MEXICO, S.A. DE C.V.

AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE TIME PERIOD

FROM APRIL 1, 2017 TO MARCH 31, 2018.

(Expressed in Mexican Pesos)

1) Company activity

CFS Antioxidantes de Mexico, S.A. de C.V., (Mexico) (hereinafter CFS Mexico), is the holding of the following entities:

- Dresen Quimica, S.A.P.I. de C.V., (Mexico) (hereinafter Dresen)
- Industrias Petrotec de Mexico, S.A. de C.V., (Mexico) (hereinafter Petrotec)
- Britec, S.A., (Guatemala) (hereinafter Britec)
- Inovel, S.A.S., (Colombia) (hereinafter Inovel)
- Nuvel, S.A.C., (Peru) (hereinafter Nuvel)
- Grinel, S.R.L., (Rep. Dominicana) (hereinafter Grinel)

The main activity of this group of companies consists in manufacture, marketing and distribution of anti-oxidants, additives and preservatives for human and animal consumption.

2) Basis of presentation

a) Compliance declaration

The above condensed, consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS).

b) Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of income and expenses during the exercise. The important items subject to these estimates and assumptions include the carrying amount of property, plant and equipment and goodwill; the valuation of accounts receivable, other accounts receivable, inventories, and deferred income tax assets, and liabilities relating to employee benefits. Actual results may differ from these estimates and assumptions.

c) **Functional and reporting currency**

The aforementioned consolidated financial statements are presented using as reporting currency the Mexican Peso, which is their functional and reporting currency. The currency of registration is the Mexican Peso for Mexican companies, the Guatemalan Quetzal for Guatemala, the Colombian Peso for Colombia and the Peruvian Sol for Perú, in those cases those currencies are converted to Mexican Peso.

d) **Consolidated financial statements presentation**

The aforementioned consolidated financial statements were prepared in accordance with IFRS "Consolidated financial statements". These consolidated financial statements are presented together with those of the previous period May 4, 2016 / March 31, 2017, which correspond to an irregular period, so the results of operations should not be compared.

3) **Summary of significant Accounting Policies and Procedures**

Below is a summary of main accounting policies and procedures:

a) **Basis for the Consolidation**

The consolidated financial statements include those of CFS México, and those of its subsidiaries for which it exercises control. Significant balances and transactions between group companies have been eliminated in the preparation of the consolidated financial statements. The consolidation was made based on the audited financial statements of the issuers as of March 31, 2018.

b) **Translation of financial statements with foreign operations**

The financial statements of foreign operations are translated to the reporting currency, initially identifying whether the functional currency and the foreign operation's registration currency are different and, subsequently, the functional currency is converted to the reporting currency using the historical exchange rate and / or the year-end exchange rate of the country of origin.

c) Transactions in foreign currency

Operations in foreign currencies different from the peso are registered at the exchange rate of the date they are done, the differences in exchange between that date and the dates of collection, liquidation or closure of the exercise are taken to results. The assets and liabilities in foreign currency at the closure of the exercise were valued at the exchange rate established by the Diario Oficial de la Federación ("Official Journal of the Federation").

d) Cash and cash equivalents

These are recorded and show at original investment value including cash in banks and short-term investments that may be immediately liquidated.

e) Inventory

Raw material and finished product inventories are recorded and shown at average prices, which do not exceed market values.

f) Fixed Assets

Are recorded and show at original historic value though, for reporting purposes they are shown at the exchange rate in force at the closing of the period. Depreciation is calculated by applying the straight-line method, mainly taking as bases its estimated useful life.

g) Other assets and liabilities

Assets are recorded when originated from past events resulting in future economic benefits and liabilities are recorded at the time company is obliged to have them settled.

h) Permanent investment in shares

These are recorded at cost of acquisition or investments and are assessed in the individual financial statements of the holding by applying the interest method.

These investments are assessed by applying consolidation method consisting in adding up balances at the closing of the period, eliminating transactions between holding and subsidiaries.

i) Business Acquisition

Recorded at cost of acquisition and, when they are majority capital investments or holding significant control thereon are consolidated by calculating its book value on the date of acquisition and compared against the acquired value. The difference resulting from this comparison is shown as goodwill.

j) Provisions, Contingent Assets and Contingent Liabilities

Significant obligations or losses related to contingencies are recognized when their effects are likely to materialize and there are reasonable elements for their quantification. If these reasonable elements do not exist, their disclosure is included qualitatively in the notes to the consolidated financial statements. Contingent income, profits or assets are recognized until such time as they are certain that they will be realized.

k) Goodwill

Goodwill represents the excess of cost over the fair value of the net asset of the subsidiary, as of the date of acquisition. Goodwill is not amortized and is subject to impairment tests.

l) Impairment of long-lived assets in use

The Entity reviews the carrying amounts of long-lived assets in use when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the net sales price upon disposal. Impairment is recorded when the carrying amounts exceed the greater of the aforementioned amounts. Impairment indicators considered for these purposes are, among others, operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than those of previous years, obsolescence, reduction in the demand for services rendered, competition and other legal and economic factors. The impairment loss on the value of long-lived assets in use, as well as its reversal, are classified in the same cost and expense line items where the related depreciation or amortization associated with those assets are recognized.

m) Earnings per Share

Basic earnings per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

4) Inventory

Inventory are integrated as follows:

	March 31	March 31
	2018	2017
Finished Products	\$ 34,144,927	\$ 33,376,925
Raw Material	27,993,696	11,131,973
Packaging Material	1,192,651	355,123
In-Transmit Goods	27,027,802	53,831,854
	<u>\$ 90,359,076</u>	<u>\$ 98,695,875</u>

5) Related Parties:

a) Balances with related parties held as of March 31, 2018, are as follows:

	March 31	March 31
	2018	2017
Accounts receivable:		
CFS do Brasil Industria, Comercio, Importao e Exportao de Aditivos Alimenticios LTDA	\$ 851,789	\$ 25,562
CFS Nort America LLC	555,801	
Camlin Fine Sciendes LTD	67,602	
	<u>\$ 1,475,192</u>	<u>\$ 25,562</u>
Accounts payable:		
CFS Nort America LLC		4,209,962
Camlin Fine Sciendes LTD	30,983,500	34,276,454
	<u>\$ 30,983,500</u>	<u>\$ 38,486,416</u>
	<u>(29,508,308)</u>	<u>(38,460,854)</u>

b) Transactions with related parties and subsidiaries during the time period ended March 31, 2018 were as follows:

Incomes:**Finished product:**

Nuvel, S.A.C.	\$ 16,622,099
Inovel, S.A.S	\$ 9,395,563
Britec, S.A.	\$ 23,769,418
CFS North America LLC.	\$ 3,140,264
CFS Do Brasil Industria, Comercio, Importacao E Ex.	\$ 868,659
Camlin Fine Sciences LTD.	\$ 70,815

Expenses**Personnel services and maquila:**

Industrias Petrotec de México, S.A. de C.V.	\$ 19,269,365
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Administrative services:

Industrias Petrotec de México, S.A. de C.V.	\$ 28,500,000
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Finished product:

CFS North America LLC.	\$ 3,616,758
Camlin Fine Sciences LTD.	\$ 42,907,175
CFS do brasil Industria, Comercio, Importacao	\$ 121,700

6) Business Acquisition and Goodwill

On May 4, 2016 CFS México acquired 65% of voting shares of the Mexican entity Dresen. Also and on such same date, Dresen acquired 100% of voting shares in Petrotec, Britec, Inovel, Nuvel and Grinel.

The results of acquired entities are included in attached financial statements as of such date.

Below is a summary of the book value, of acquired assets and assumed liabilities on the date of acquisition:

	<u>Dresen</u>	<u>Petrotec</u>	<u>Britec</u>	<u>Nuvel</u>	<u>Inovel</u>	<u>Grinel</u>
Current Assets	\$ 126,435,370	\$ 2,135,459	\$ 11,361,099	\$ 33,862,009	\$ 10,537,734	\$ 37,394
Fixed Assets	4,414,635	942,434	318,800	346,901	138,593	
Other Assets	306,854	369,043	16,490	324,193		
Total Value of Acquired Assets	<u>\$ 131,156,859</u>	<u>\$ 3,446,936</u>	<u>\$ 11,696,389</u>	<u>\$ 34,533,103</u>	<u>\$ 10,676,327</u>	<u>\$ 37,394</u>
Current Liabilities	\$ 31,716,055	\$ 1,571,840	\$ 2,681,249	\$ 12,520,406	\$ 7,646,191	
Total Value of Assumed Liabilities	<u>\$ 31,716,055</u>	<u>\$ 1,571,840</u>	<u>\$ 2,681,249</u>	<u>\$ 12,520,406</u>	<u>\$ 7,646,191</u>	
Total	<u>\$ 99,440,804</u>	<u>\$ 1,875,096</u>	<u>\$ 9,015,140</u>	<u>\$ 22,012,697</u>	<u>\$ 3,030,136</u>	<u>\$ 37,394</u>

Below is a summary of the determination of Dresen's goodwill:

	<u>Petrotec</u>	<u>Britec</u>	<u>Nuvel</u>	<u>Inovel</u>	<u>Grinel</u>	<u>Total</u>
Value as of Date of Acquisition	\$ 1,875,096	\$ 9,015,139	\$ 22,012,697	\$ 3,030,135	\$ 37,394	\$ 35,970,461
Paid Consideration	\$ 5,565,251	\$ 8,458,999	\$ 20,062,386	\$ 5,949,408	\$ 378,660	\$ 40,414,704
Goodwill	<u>\$ (3,690,155)</u>	<u>\$ 556,140</u>	<u>\$ 1,950,311</u>	<u>\$ (2,919,273)</u>	<u>\$ (341,266)</u>	<u>\$ (4,444,243)</u>

Below is the determination of CFS México's goodwill

	<u>Dresen</u>
Value as of Date of Acquisition	\$ 64,636,347
Paid Consideration	141,567,130
Goodwill	<u>\$ (76,930,783)</u>

7) Borrowings

	Pesos	Dollars
	2018	2018
Short-term	\$ 17,814,128	\$ 975,000
Interest	888,229	48,614
	<u>18,702,357</u>	<u>1,023,614</u>
Long-term	89,070,637	4,875,000
	<u>\$ 107,772,994</u>	<u>\$ 5,898,614</u>

Borrow with Export Import Bank of India.

- Rate of interest: Libor (6m) +375 bps p.a. payable quarterly.
- Repayment Schedule: To be repaid in 24 quarterly instalments commencing after 24 months from the date of first disbursement.
- Guarantee: Camlin Fine Sciences Limited, as Corporate Guarantor.

8) Deferred tax asset

Deferred Tax / Integration					
Deferred Income Tax					
	CFS Antioxidantes		Deferred EPS *		
	de México	Dresen	Petrotec	Petrotec	
Period effect as of March 31, 2017					
Fixed Assets		\$ 351,836	\$ 191,249	\$ 191,249	
Allowance for labor benefits			421,987	421,987	
Tax loss carry forwards	820,658.00				
	820,658	\$ 351,836	\$ 613,236	\$ 613,236	
Rate	30%	30%	30%	10%	
	246,197	\$ 105,551	\$ 183,971	\$ 61,324	
Period effect as of March 31, 2018					
Fixed Assets		\$ 751,375	\$ 175,004	\$ 175,004	
Allowance for labor benefits			560,675	560,675	
Tax loss carry forwards	\$				
	\$ 0	\$ 751,375	\$ 735,679	\$ 735,679	
Rate	30%	30%	30%	10%	
	\$ 0	\$ 225,413	\$ 220,704	\$ 73,568	
Balance sheet effect	\$ 0	\$ 225,413	\$ 220,704	\$ 73,568	Total 519,684
P and L effect (income)	\$ 246,197	\$ (119,862)	\$ (36,733)	\$ (12,244)	77,359

* By Law Employee Profit Sharing

9) Stockholders' equity (deficit)

Below are described the main characteristics of the accounts that make up the stockholders' equity (deficit):

- Stockholders' equity is composed in its Fixed portion of 50 shares with a nominal value of one Peso each and the Variable portion by 34,293 shares, with the same nominal value.

b) **Structure of Equity, share capital**

On May 5, 2016, the Shareholders' Board of a subsidiary company, Dresen Chemical, SAPI de CV, agreed to increase the Equity, in its variable part, by \$ 3,560,328, through the issuance of 65,764,040 shares, of which 23,017,414 were subscribed by the non-controlling shareholder.

c) Acquisition

On May 4, 2016, the Company acquired 65% of the voting shares of Dresen Química, S.A. de C. V. (Acquired) and Dresen Química, S.A. PI. Of C.V. Acquires on the same date Industrias Petrotec de México, S.A. Of C.V. (Mexico), Britec, S.A. (Guatemala), Inovel, S.A.S. (Colombia) Nuvel, S.A.C. (Peru). The results of the Acquired are included in the consolidated financial statements as of that date. The Acquired companies is involved in manufacturing and distribution import, export of chemical and petrochemical additives for human consumption and livestock.

d) Dividends

On January 27, 2016, during an extraordinary meeting of Shareholders, it was agreed to declare dividends for the holders of the "z" series from shareholders retained earnings in the amount of \$4,000,000, which were paid on May 5, 2016.

10) Balances recognized in the acquisitions are shown below:

Entities of the Group -

Investments in Subsidiaries-

Main subsidiaries are integrated as follows:

	<u>Shareholding</u>	<u>Main Activity</u>	<u>Country</u>
	%		
Dresen Química, S.A.P.I. de C.V.	65	Antioxidant sales	México
controlled by Dresen Química, S.A. P.I. de C.V.			
Grinel, S.R.L	100	N/D	Rep. Dominicana
Industrias Petrotec de México, S.A. DE C.V.	100	Staffing services	México
Inovel, S.A.S.	100	Antioxidant sales	Colombia
Nuvel, S.A.C.	100	Antioxidant sales	Perú
Britec, S.A.	100	Antioxidant sales	Guatemala

11) Elements integrating consolidation

Below is presented the relative importance of each of the companies included in this consolidation

<u>March 31, 2018</u>					
<u>Assets minus liabilities</u>			<u>Consolidated Income</u>		
<u>Percentage</u>		<u>Amount</u>	<u>Percentage</u>		<u>Amount</u>
Sub-holding:					
Dresen	75%	\$ 264,696,669	80%	\$	44,226,566
Subsidiaries:					
Petrotec	2%	\$ 8,118,346	1%	\$	732,096
Britec	5%	\$ 17,144,835	3%	\$	1,891,326
Inovel	6%	\$ 22,857,332	8%	\$	4,455,249
Nuvel	12%	\$ 41,107,093	7%	\$	3,746,938
Grinel	0%	\$ 40,918			

<u>March 31, 2017</u>					
<u>Assets minus liabilities</u>			<u>Consolidated Income</u>		
<u>Percentage</u>		<u>Amount</u>	<u>Percentage</u>		<u>Amount</u>
Sub-holding:					
Dresen	72%	\$ 255,115,774	86%	\$	31,208,211
Subsidiaries:					
Petrotec	2%	\$ 6,812,961	3%	\$	1,564,187
Britec	5%	\$ 14,981,773	1%	\$	750,941
Inovel	6%	\$ 21,015,594	5%	\$	2,676,644
Nuvel	15%	\$ 45,569,093	7%	\$	4,061,856
Grinel	0%	\$ 40,918	0%		

12) Subsequent events

Subsequent to March 31, 2018 and until the date of the issuance of the consolidated financial statements, there has not been an event that materially affects the consolidated financial statements or disclosures in notes for the time 31 March 2018, or which, although not affecting such consolidated financial statements or notes, have caused, or are likely to give rise to, any adverse or other material changes in the consolidated financial condition or results of operations of the consolidated financial statements of the Group.
