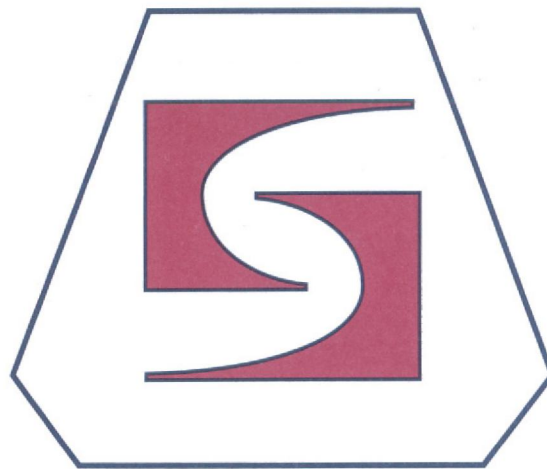




GARCÍA SABATÉ, CASTAÑEDA,
NAVARRETE, S.C.



DRESEN QUIMICA, S.A.P.I. DE C.V.
(SUBSIDIARY OF CAMLIN FINE
SCIENCES LTD.)

FINANCIAL STATEMENTS
AS OF MARCH 31, 2017
INDEPENDENT AUDITOR'S REPORT

DRESEN QUIMICA, S.A.P.I. DE C.V.

INFORMATION PERTAINING TO

MARCH 31, 2017

C O N T E N T S

- Opinion by **García Sabaté, Castañeda, Navarrete, S.C.** Independent Auditors

Statement I - Financial Statements

Statement II - Statements of Comprehensive Income

Statement III - Statements of Changes in Accounting Equity

Statement IV - Cash Flow Statements

- Notes on financial statements



GARCÍA SARATÉ, CASTAÑEDA,
NAVARRETE, S.C.

Mexico City, May 2nd, 2017

**Associates Assembly of
Dresen Química, S.A.P.I. de C.V.**
Present.

Opinion

We have conducted an audit of the unconsolidated financial statements for **Dresen Química, S.A.P.I. de C.V.**, comprising unconsolidated financial statements ending March 31, 2017, and unconsolidated statements, of comprehensive income, of changes in accounting equity, and cash flow statements, corresponding to the years ending on March 31, 2017, as well as a summary of relevant accounting policies and other explanatory information.

In our opinion, except for the fact stated under the paragraph "Basis for a qualified opinion", the enclosed unconsolidated financial statements offer a reasonable presentation, in all material aspects, of the unconsolidated financial situation of **Química, S.A.P.I. de C.V.** (the Company), to March 31, 2017, as well as the unconsolidated statements and cash flows, corresponding to the years ending on the above dates, in accordance with International Financial Reporting Standards (IFRS).

Basis of a qualified audit opinion

As explained in note 2 b) to financial statements, the Company doesn't consolidate its investment in subsidiaries, as set out in the enclosed financial statements through the participation method. It is necessary to prepare consolidated financial statements to comply with International Financial Reporting Standards and have full information on the Company the consolidated financial statements we issued separately

We have carried out our audit in accordance with International Auditing Standards (IAS). Our responsibilities based on IAS are described in this document under section **Auditor's Responsibility on financial statements audit**. We remain independent from the Company in accordance to the Code of Professional Ethics issued by the International Federation of Accountants (IFAC) and its respective board, together with the ethical requirements applicable during our financial statement audit in Mexico, and we meet all other ethical responsibilities under such requirements and the Code of Professional Ethics.

We consider that the audit evidence gathered through our audits provides a sufficient and adequate basis for issuing our auditory opinion.

Other information

Responsibility of the Company's Management and Company's responsible for governance, with regard to financial statements.

The Company's Management is responsible for the preparation and reasonable submission of the enclosed financial statements, in accordance with IFRS, and with internal controls as deemed necessary by the Management to enable the preparation of financial statements that are free of material deviations arising from either fraud or error.

During the preparation of the financial statements, the Management is responsible to evaluate the Company's ability to continue as an ongoing business, and therefore, using the accounting base of an ongoing business, or disclosing it otherwise.

Those responsible for the Company's governance, are also responsible to monitor the Company's financial information process.

Auditors responsibilities during financial statements auditing

We intend to achieve a reasonable assurance of whether the financial statements are free of material deviation, due to fraud or error, and to issue our audit opinion. Such reasonable assurance has a high security level but does not guarantee that an audit complying with NIA always identify an existing material deviation. Deviations can be due to fraud or error, and are considered material if, individually or collectively, can reasonably have an influence in the economic decisions taken by users based on financial statements prepared by the Company's Management.

While auditing in accordance to NIA, we apply our professional criteria and skepticism during the audit. We also:

- a) Identify and evaluate risk of material deviations on financial statements, due to fraud or error, design and implement audit procedures to respond to such risks and gather evidence in a sufficient and adequate manner for issuing our audit opinion. The risk of an undetected material deviation due to fraud is higher than such due to error, since fraud can include collusion, falsification, deliberate omissions, intentional misstatements or internal control evasion implemented by the Company's Management and relevant for auditing.
- b) Acknowledged the relevant internal control for auditing implemented by the Company's Management, to design adequate procedures in accordance to the circumstances but not to issue an opinion on the effectiveness of the Company's internal control.
- c) Evaluate the adequacy of applied accounting policies, the reasonableness of the accounting estimates, and the respective information revealed by the Company's Management.

- d) Determine on the Company's Management adequate use of the ongoing business accounting base and conclude on the existence of a material deviation related to facts or conditions which may generate substantial doubts regarding the Company's ability to continue as an ongoing business, based on audit evidence gathered. If we determine there is a material uncertainty, it will require to be mentioned in our audit opinion on the financial statements disclosed information, or if such disclosures are not adequate, we will express a qualified opinion. Our conclusions are based on audit evidence gathered to the date of our opinion. However, future facts or conditions may cause the Company to become no longer an ongoing business.
- e) Evaluate the global presentation, structure and content of the enclosed financial statements, including disclosed information, as to whether they represent the transactions and underlying facts in such a way to accomplish a reasonable presentation.

Among other situations, we inform those responsible for the Company's governance, the scope and the time of the audit and our substantial findings, including any relevant internal control deficiency identifiable during our audit.

Yours sincerely,

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



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

STATEMENT I

DRESEN QUIMICA, S.A.P.I. DE C.V.
BALANCE SHEET
AS OF MARCH 31 2017
(Expressed in Mexican pesos)

	<u>As of</u> <u>March 31, 2017</u>
EQUITY AND LIABILITIES	
Shareholders' Funds	
Share Capital (Note 8)	\$ 78,185,046
Reserves & Surplus	69,214,754
Minority interest	
	\$ <u>147,399,800</u>
Non-current liabilities	
Non-current liabilities	
Deferred tax liability, net	
Long-term provision	
	\$ <u>0</u>
Current liabilities	
Short-term Borrowings	
Trade payables	\$ 85,456,342
Other current liabilities	
Short-term provisions	
	\$ <u>85,456,342</u>
TOTAL	\$ <u><u>232,856,142</u></u>
 ASSETS	
Non-current assets	
Fixed assets	\$ 5,713,556
Tangible assets	43,605,179
Intangible assets (Note 6)	4,444,243
Deferred tax asset (Note 7)	105,551
	\$ <u>53,868,529</u>
Non-current Investments	
Long-term loans and advances	
Current assets	
Inventories (Note 4)	\$ 69,349,432
Trade receivables	25,637,383
Cash and Bank Balances	22,342,573
Short-term loans and advances	61,540,947
Other current assets	117,278
	\$ <u>178,987,613</u>
TOTAL	\$ <u><u>232,856,142</u></u>

Significant Accounting Policies Note 2)

The accompanying notes are an integral part of these financial statements

STATEMENT II

DRESEN QUIMICA, S.A.P.I. DE C.V.
STATEMENT OF PROFIT AND LOSS
FOR THE INICIAL PERIOD FROM MAY 4 TO MARCH 31 2017
(Expressed in Mexican pesos)

	<u>As of</u> <u>March 31, 2017</u>
Income	
Revenue from operations (Gross)	\$ 282,929,636
Less: Excise Duty	
Revenue from operations (Net)	\$ 282,929,636
Other Income	48,726
Total Revenue	\$ 282,978,362
Expenditure	
Cost of materials consumed	
Purchase of stock in trade	\$ (134,693,659)
Changes in Inventories of finished goods/WIP/stock in trade	
Employee benefits expense	(32,701,772)
Finance cost	7,140,342
Depreciation and amortisation expense	
Research and development expenses	
Other expenses	(57,981,884)
Total Expenditure	\$ (218,236,973)
Profit before tax	\$ 64,741,389
Exceptional Item	
Less: Tax expense	
Current tax	\$ (16,514,200)
MAT credit entitlements	
Deferred tax (Note 9)	(107,819)
Profit after Taxes	\$ 48,119,370
Add: Share of profit/(loss) of associate for the year	7,634,817
Profit for the period	\$ 55,754,187
Earnings per equity share of face value of	
Basic	\$ 78,185,040
Diluted	\$ 0.71

Significant Accounting Policies Nota 2)

The accompanying notes are an integral part of these financial statements

STATEMENT III

DRESEN QUIMICA, S.A.P.I. DE C.V.
STATEMENT OF CHANGES IN ACCOUNTING CAPITAL
FOR FISCAL YEARS ENDING MARCH 31, 2017
(Expressed in Mexican pesos)

	<u>Number of shares</u>	<u>Shareholder Capital</u>	<u>Integrated fiscal year earnings</u>	<u>Sum of Shareholder investments</u>
<u>Balance as of Marzo 31, 2016</u>		\$ 12,422,000	\$ 13,460,565	\$ 25,882,565
Capital increase	65,764,040	65,764,040		65,764,040
Capital decrease	(1,000)	(1,000)		(1,000)
Integrated earnings for fiscal year 2017			\$ 55,754,187	55,754,187
<u>Balance as of March 31, 2017</u>	<u>65,763,040</u>	<u>\$ 78,185,040</u>	<u>\$ 69,214,752</u>	<u>\$ 147,399,792</u>

Significant Accounting Policies Note 2)

The accompanying notes are an integral part of these financial statements

STATEMENT IV

DRESEN QUIMICA, S.A.P.I. DE C.V.
CASH FLOW STATEMENT
FOR FISCAL YEARS ENDING MARCH 31, 2017
(Expressed in Mexican pesos)

	As of <u>March 31, 2017</u>
<u>Operational activities</u>	
Integrated fiscal year earnings	\$ 64,741,389
Items related to investment activities:	
Depreciation and amortization	778,005
Labor liabilities	
Items related to financing activities	
Interest charges	7,140,342
Total	\$ 72,659,736
Increase in accounts receivable and others	
Tax credit increase	(16,514,200)
Inventory	25,637,383
Increases in advance payments	46,768,336
Net cash flows from operational activities	\$ 128,551,255
<u>Investment activities</u>	
Fixed asset acquisition	
Tangible assets	
Share Capital	\$ (65,763,037)
Tangible assets	(48,049,422)
Net cash flows from investment activities	\$ (113,812,459)
Excess cash to be applied to financing activities	\$ 14,738,796
<u>Financing activities</u>	
Interest owed	\$ (7,140,342)
Net cash flows for financing activities	\$ (7,140,342)
Net increase in cash and equivalents	\$ 7,598,454
Cash and equivalents at start of period	14,744,119
Cash and equivalents at end of period	\$ 22,342,573

Significant Accounting Policies Note 2)

The accompanying notes are an integral part of these financial statements

DRESEN QUIMICA, S.A.P.I. DE C.V.

NOTES TO FINANCIAL STATEMENTS FOR THE TIME PERIOD FROM START OF OPERATIONS ON MAY 4, 2016 TO MARCH 31, 2017

(Expressed in Mexican pesos)

1) Company activity

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

- 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 to with the international financial reporting standards (IFRS), except for what is explained in paragraph b).

b) Unconsolidated financial statements presentation

The aforementioned unconsolidated financial statements were meant for the internal use of Administración de Dresen Quimica, S.A.P.I. de C.V., and to comply with certain legal and fiscal requirements. The financial information therein does not include the consolidation of the subsidiaries' financial statements, registered under the participation method. For the assessment of the economic entity's financial statements and results, the consolidated financial statements of Dresen Quimica, S.A. de C.V. and its subsidiaries, were issued separately and on that same date.

c) 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.

d) Functional and reporting currency

The aforementioned financial statements are presented using as is their functional currency of registration the Mexican Peso.

3) Summary of significant Accounting Policies and Procedures

Below is a summary of main accounting policies and procedures:

a) 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 and the country of origin inflation index when the foreign operation is in a hyperinflationary economic environment.

b) Accumulative effect due to foreign operation translations and or conversions

This represents the difference which results from translating foreign operations, from their functional currency to the reporting currency.

c) 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.

d) Inventory

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

e) 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.

f) 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.

g) Permanent investment in shares

These are recorded at cost of acquisition or investments and are assessed in 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.

h) 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.

i) 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.

4) Inventory

Inventory are integrated as follows:

		March 31
		<u>2017</u>
Finished Products	\$	18,448,528
Raw Material		11,105,434
Packaging Material		332,537
In-Transit Goods		39,462,933
	\$	<u>69,349,432</u>

5) Related Parties:

a) Balances and transactions with related parties held as of March 31, 2017. are as follows:

Accounts receivable:

CFS do Brasil Industria, Comercio, Importacao e

Exportacao de Aditivos Alimenticios Ltda. \$ 25,562

Nuvel, S.A.C. \$ 4,317,197

Britec, S.A. \$ 3,198,367

Accounts payable:

CFS North America LLC \$ 4,209,621

Camlin Fine Sciences LTD. \$ 30,853,010

- b) Transactions with related parties and subsidiaries during the year ended 31 March 2017 were as follows:

Incomes:

Finished product:

Nuvel, S.A.C.	\$ <u>11,947,255</u>
Inovel, S.A.S	\$ <u>9,705,999</u>
CFS do Brasil Industria, Comercio, Importacao e Exportacao de Aditivos Alimenticios	\$ <u>27,652</u>
Britec, S.A.	\$ <u>21,617,541</u>

Expenses:

Personnel services and maquila:

Industrias Petrotec de México, S.A. de C.V.	\$ <u>34,212,776</u>
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Administrative services:

CFS Antioxidantes de México, S.A. de C.V.	\$ <u>5,200,000</u>
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Finished product:

CFS North America LLC.	\$ <u>4,318,703</u>
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Camlin Fine Sciences LTD.	\$ <u>55,463,164</u>
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commissions:

Britec, S.A.	\$ <u>700,369</u>
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6) Business Acquisition and Goodwill

On May 4, 2016 to March 31, 2017 CFS Mexico 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:

José María Velasco Número 79, Col. San José Insurgentes,
Ciudad de México, C.P. 03900, Deleg. Benito Juárez
Tels. 5611.7766 y 5611.5851

	<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	306,584	369,043	16,490	324,193		
Total Value of Acquired Assets	<u>\$ 131,156,589</u>	<u>\$ 3,446,935</u>	<u>\$ 11,696,388</u>	<u>\$ 34,533,103</u>	<u>\$ 10,676,326</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>\$ 99,440,534</u>	<u>\$ 1,875,096</u>	<u>\$ 9,015,139</u>	<u>\$ 22,012,697</u>	<u>\$ 3,030,135</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	<u>\$ 5,565,251</u>	<u>\$ 8,458,999</u>	<u>\$ 20,062,386</u>	<u>\$ 5,949,408</u>	<u>\$ 378,660</u>	<u>\$ 40,414,704</u>
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>

7) Deferred tax asset

Deferred Tax / Integration

	<u>Dresen</u>
Period effect as of Mayo 4, 2016	
Fixed Assets	\$ (177,100)
Allowance for labor benefits	
Tax loss carryforwards	
	\$ (177,100)
Rate	30%
	\$ (53,130)
Period effect as of March 31, 2016	
Fixed Assets	\$ 351,836
	\$ 351,836
Rate	30%
	\$ 105,551
Balance sheet effect	\$ 105,551
P and L effect (income)	\$ (158,681)

8) Share Capital

Stockholders' equity is composed of 1,000 shares with a nominal value of \$ 1.00 each and the variable portion of 78,184,040 shares, with the same nominal value.

(a) 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.

b) 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.

c) 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 \$ 4,0000,000, which will be paid on May 5, 2016

9) 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>
	%		
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	Perú
Nunel, S.A.C.	100	Antioxidant sales	Colombia
Britec, S.A.	100	Antioxidant sales	Guatemala

10) Subsequent events

Subsequent to March 31, 2017 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 year ended 31 March 2017, 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.

c) Use of Estimates

The preparation of the 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.

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d) Other assets and liabilities

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