

**Mega Lifesciences Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month and six-month periods ended
30 June 2016
and
Independent auditor's report on
review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Mega Lifesciences Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Mega Lifesciences Public Company Limited and its subsidiaries, and of Mega Lifesciences Public Company Limited, respectively, as at 30 June 2016; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2016; the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 2016; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Orawan Chuhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
10 August 2016

Mega Lifesciences Public Company Limited and its Subsidiaries

Statement of financial position

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 June 2016 (Unaudited)	31 December 2015	30 June 2016 (Unaudited)	31 December 2015
<i>(in thousand Baht)</i>					
Assets					
<i>Current assets</i>					
Cash and cash equivalents		1,032,053	515,679	687,928	81,870
Current investments	4	444,573	951,111	444,573	951,111
Trade accounts receivable	3, 5	1,971,190	2,263,093	1,138,059	1,268,257
Other receivables	3	164,180	182,750	51,387	55,327
Inventories		1,927,743	2,066,616	522,999	625,518
Advances to suppliers and distributors		177,252	187,489	33,121	53,799
Total current assets		5,716,991	6,166,738	2,878,067	3,035,882
<i>Non-current assets</i>					
Investments in associate	6	-	-	-	-
Investments in subsidiaries	7	-	-	83,474	71,574
Property, plant and equipment	8	1,192,593	1,031,495	797,583	629,961
Intangible assets		239,059	232,700	190,785	191,429
Deferred tax assets	9	105,637	105,716	30,159	37,910
Other non-current assets		73,893	73,392	64,558	64,504
Total non-current assets		1,611,182	1,443,303	1,166,559	995,378
Total assets		7,328,173	7,610,041	4,044,626	4,031,260

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
Liabilities and equity	Note	2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Bank overdrafts and short-term					
loans from financial institutions		543,622	543,270	297,553	264,041
Trade accounts payable	3, 10	1,346,849	1,602,895	166,437	170,516
Other payables	3	307,689	332,352	71,365	75,612
Current portion of long-term loans					
from financial institutions		80,470	82,543	47,219	48,435
Current portion of finance lease liabilities		9,585	8,421	28	69
Income tax payable		61,428	80,143	12,970	30,116
Accrued expenses		386,120	443,111	57,224	74,819
Total current liabilities		2,735,763	3,092,735	652,796	663,608
Non-current liabilities					
Long-term loans from financial institutions		26,013	67,954	23,185	48,000
Finance lease liabilities		12,722	16,318	-	-
Deferred tax liabilities	9	853	1,349	-	-
Employee benefit obligation		92,917	94,422	54,794	52,740
Other non-current liabilities		2,595	2,595	-	-
Total non-current liabilities		135,100	182,638	77,979	100,740
Total liabilities		2,870,863	3,275,373	730,775	764,348

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
Liabilities and equity	<i>Note</i>	2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Equity					
Share capital:					
Authorised share capital		436,951	436,951	436,951	436,951
Issued and paid-up share capital		432,625	432,625	432,625	432,625
Additional paid in capital:					
Premium on ordinary shares		2,138,104	2,138,104	2,138,104	2,138,104
Warrants	<i>11</i>	27,514	20,004	27,514	20,004
Retained earnings					
Appropriated					
Legal reserve		49,088	49,088	43,695	43,695
Corporate social responsibility reserve	<i>12</i>	25,060	23,400	25,060	23,400
Unappropriated		1,962,489	1,839,761	646,853	609,084
Other components of equity		(177,613)	(168,292)	-	-
Equity attributable to owners					
of the Company					
		4,457,267	4,334,690	3,313,851	3,266,912
Non-controlling interests		43	(22)	-	-
Total equity		4,457,310	4,334,668	3,313,851	3,266,912
Total liabilities and equity		7,328,173	7,610,041	4,044,626	4,031,260

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<i>Income</i>					
Revenue from sale of goods and rendering of services	13	2,081,753	1,972,366	723,558	633,896
Investment income		4,092	7,280	3,208	7,049
Net foreign exchange gain		-	33,564	3,858	31,365
Other income		4,494	3,233	2,580	1,492
Total income		2,090,339	2,016,443	733,204	673,802
<i>Expenses</i>					
Cost of sales of goods and rendering of services		1,163,656	1,115,341	393,364	355,695
Selling expenses		375,856	423,895	85,162	90,623
Administrative expenses		263,732	271,348	80,840	94,212
Net foreign exchange loss		35,408	-	-	-
Finance costs		4,462	3,289	1,446	1,788
Total expenses		1,843,114	1,813,873	560,812	542,318
Profit before income tax expense		247,225	202,570	172,392	131,484
Income tax expense		(29,187)	(37,062)	(10,767)	(6,987)
Profit for the period		218,038	165,508	161,625	124,497
Other comprehensive income					
<i>Item that is or may be reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations		(18,475)	27,922	-	-
Other comprehensive income (loss) for the period, net of income tax		(18,475)	27,922	-	-
Total comprehensive income for the period		199,563	193,430	161,625	124,497
Profit attributable to:					
Owners of the Company		218,076	165,492	161,625	124,497
Non-controlling interests		(38)	16	-	-
Profit for the period		218,038	165,508	161,625	124,497
Total comprehensive income attributable to:					
Owners of the Company		199,602	193,415	161,625	124,497
Non-controlling interests		(39)	15	-	-
Total comprehensive income for the period		199,563	193,430	161,625	124,497
Basic and diluted earnings per share (in Baht)	15	0.25	0.19	0.19	0.14

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Income					
Revenue from sale of goods and rendering of services	13	4,039,134	3,777,203	1,333,003	1,157,260
Investment income		7,670	15,244	6,434	14,976
Net foreign exchange gain		-	5,404	-	17,659
Other income		8,333	10,592	4,908	5,064
Total income		4,055,137	3,808,443	1,344,345	1,194,959
Expenses					
Cost of sales of goods and rendering of services		2,353,692	2,178,233	740,348	650,527
Selling expenses		714,145	796,132	147,792	152,110
Administrative expenses		522,321	500,040	166,260	155,130
Net foreign exchange loss		61,952	-	18,612	-
Finance costs		7,908	5,784	2,989	3,377
Total expenses		3,660,018	3,480,189	1,076,001	961,144
Profit before income tax expense		395,119	328,254	268,344	233,815
Income tax expense	14	(63,007)	(56,275)	(21,255)	(11,011)
Profit for the period		332,112	271,979	247,089	222,804
Other comprehensive income					
<i>Item that is or may be reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations		(9,320)	(22,051)	-	-
Other comprehensive loss for the period, net of income tax		(9,320)	(22,051)	-	-
Total comprehensive income for the period		322,792	249,928	247,089	222,804
Profit attributable to:					
Owners of the Company		332,048	271,979	247,089	222,804
Non-controlling interests		64	-	-	-
Profit for the period		332,112	271,979	247,089	222,804
Total comprehensive income attributable to:					
Owners of the Company		322,727	249,928	247,089	222,804
Non-controlling interests		65	-	-	-
Total comprehensive income for the period		322,792	249,928	247,089	222,804
Basic and diluted earnings per share (in Baht)	15	0.38	0.31	0.29	0.26

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Consolidated financial statements											
	Note	Issued and paid-up share capital	Share premium	Warrants	Retained earnings			Other component of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
					Legal reserve	Corporate social responsibility reserve	Unappropriated	Currency translation differences			
<i>(in thousand Baht)</i>											
Six-month period ended 30 June 2015											
Balance at 1 January 2015		432,625	2,138,104	8,431	49,088	10,000	1,507,232	(167,200)	3,978,280	(18)	3,978,262
Transactions with owners, recorded directly in equity											
<i>Contributions by and distributions to owners of the Company</i>											
Dividends to owners of the Company	16	-	-	-	-	-	(216,312)	-	(216,312)	-	(216,312)
Share-based payment transactions	11	-	-	6,031	-	-	-	-	6,031	-	6,031
Total transactions with owners, recorded directly in equity		-	-	6,031	-	-	(216,312)	-	(210,281)	-	(210,281)
Comprehensive income for the period											
Profit		-	-	-	-	-	271,979	-	271,979	-	271,979
Other comprehensive income		-	-	-	-	-	-	(22,051)	(22,051)	-	(22,051)
Total comprehensive income for the period		-	-	-	-	-	271,979	(22,051)	249,928	-	249,928
Transfer to corporate social responsibility reserve	12	-	-	-	-	5,500	(5,500)	-	-	-	-
Utilisation of corporate social responsibility reserve	12	-	-	-	-	(500)	-	-	(500)	-	(500)
Balance at 30 June 2015		432,625	2,138,104	14,462	49,088	15,000	1,557,399	(189,251)	4,017,427	(18)	4,017,409

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements											
	Note	Retained earnings					Other component of equity	Equity attributable to		Total equity	
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Corporate social responsibility reserve	Unappropriated	Currency translation differences	owners of the Company		Non-controlling interests
<i>(in thousand Baht)</i>											
Six-month period ended 30 June 2016											
Balance at 1 January 2016											
		432,625	2,138,104	20,004	49,088	23,400	1,839,761	(168,292)	4,334,690	(22)	4,334,668
Transactions with owners, recorded directly in equity											
<i>Contributions by and distributions to owners of the Company</i>											
	16	-	-	-	-	-	(207,660)	-	(207,660)	-	(207,660)
	11	-	-	7,510	-	-	-	-	7,510	-	7,510
Total transactions with owners, recorded directly in equity											
		-	-	7,510	-	-	(207,660)	-	(200,150)	-	(200,150)
Comprehensive income for the period											
		-	-	-	-	-	332,048	-	332,048	64	332,112
		-	-	-	-	-	-	(9,321)	(9,321)	1	(9,320)
Total comprehensive income for the period											
		-	-	-	-	-	332,048	(9,321)	322,727	65	322,792
Transfer to corporate social responsibility reserve											
	12	-	-	-	-	1,660	(1,660)	-	-	-	-
Balance at 30 June 2016											
		432,625	2,138,104	27,514	49,088	25,060	1,962,489	(177,613)	4,457,267	43	4,457,310

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Issued and paid-up share capital	Share premium	Warrants	Separate financial statements		Total equity
					Legal reserve	Retained earnings	
					Corporate social responsibility reserve	Unappropriated	
							(in thousand Baht)
Six-month period ended 30 June 2015							
Balance at 1 January 2015		432,625	2,138,104	8,431	43,695	10,000	3,076,626
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Dividends to owners of the Company	16	-	-	-	-	(216,312)	(216,312)
Share-based payment transactions	11	-	-	6,031	-	-	6,031
Total transactions with owners, recorded directly in equity		-	-	6,031	-	(216,312)	(210,281)
Comprehensive income for the period							
Profit		-	-	-	-	222,804	222,804
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	222,804	222,804
Transfer to corporate social responsibility reserve	12	-	-	-	-	5,500	-
Utilisation of corporate social responsibility reserve	12	-	-	-	-	(500)	(500)
Balance at 30 June 2015		432,625	2,138,104	14,462	43,695	15,000	3,088,649

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Unappropriated	
					Legal reserve	Corporate social responsibility reserve		
<i>(in thousand Baht)</i>								
Six-month period ended 30 June 2016								
Balance at 1 January 2016		432,625	2,138,104	20,004	43,695	23,400	609,084	3,266,912
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the Company</i>								
Dividends to owners of the Company	16	-	-	-	-	-	(207,660)	(207,660)
Share-based payment transactions	11	-	-	7,510	-	-	-	7,510
Total transactions with owners, recorded directly in equity		<u>-</u>	<u>-</u>	<u>7,510</u>	<u>-</u>	<u>-</u>	<u>(207,660)</u>	<u>(200,150)</u>
Comprehensive income for the period								
Profit		-	-	-	-	-	247,089	247,089
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,089</u>	<u>247,089</u>
Transfer to corporate social responsibility reserve	12	-	-	-	-	1,660	(1,660)	-
Balance at 30 June 2016		<u>432,625</u>	<u>2,138,104</u>	<u>27,514</u>	<u>43,695</u>	<u>25,060</u>	<u>646,853</u>	<u>3,313,851</u>

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Cash flows from operating activities					
Profit for the period		332,112	271,979	247,089	222,804
<i>Adjustments for</i>					
Depreciation		70,787	67,438	36,041	35,685
Amortisation of intangible assets		3,748	3,969	644	417
(Reversal of) allowance on decline in value of inventories		15,675	15,158	(4,247)	2,853
Investment income		(7,670)	(15,244)	(6,434)	(14,976)
Finance costs		7,908	5,784	2,989	3,377
Allowance for doubtful accounts	5	2,310	18,294	790	16,453
Unrealised (gain) loss on exchange rate		109,862	(2,060)	59,423	(7,425)
(Gain) loss on disposal of property, plant and equipment		(300)	37	-	-
Employee benefit obligations		7,704	8,686	4,304	5,275
Share-based payment transactions	11	7,510	6,031	715	715
Income tax expense	14	63,007	56,275	21,255	11,011
		612,653	436,347	362,569	276,189
Changes in operating assets and liabilities					
Trade accounts receivable		142,884	(190,139)	64,079	(2,422)
Other receivables		14,758	(16,598)	(7,382)	3,053
Inventories		105,243	(59,157)	106,766	(149,167)
Advances to suppliers and distributors		14,060	808	20,782	8,613
Other non-current assets		(501)	(2,555)	(54)	(1,784)
Trade accounts payable		(216,290)	(58,295)	(2,048)	63,622
Other payables		(23,686)	91,169	(3,396)	22,625
Accrued expenses		(59,083)	48,445	(17,619)	2,356
Other non-current liabilities		-	31	-	-
Utilisation of corporate social responsibility reserve	12	-	(500)	-	(500)
Employee benefit obligations paid		(2,300)	-	(2,250)	-
Cash generated from operating activities		587,738	249,556	521,447	222,585
Income tax paid		(82,021)	(54,317)	(30,650)	(13,826)
Net cash from operating activities		505,717	195,239	490,797	208,759

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
Note	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	18,433	1,389	17,600	1,120
Purchase of property, plant and equipment	(230,987)	(96,142)	(203,663)	(34,532)
Increase in short-term loan to related party	-	-	-	30,000
Investment in subsidiary	7	-	(5,105)	(336)
Purchase of intangible assets	(10,000)	(9,350)	-	(3,910)
Redemption of current investments	4	506,538	1,082	506,538
Sale of equipment	581	3,455	-	-
Net cash from (used in) investing activities	284,565	(99,566)	315,370	(7,658)
<i>Cash flows from financing activities</i>				
Interest paid	(8,158)	(5,971)	(2,964)	(3,371)
Dividends paid	(208,236)	(216,312)	(208,336)	(216,312)
Finance lease payments	(4,406)	(105)	(41)	(37)
Increase in bank overdrafts and short-term loans from financial institutions	4,778	154,962	34,739	21,790
Increase in short-term loan from related party	-	-	-	678
Repayment of borrowings	(38,301)	(37,025)	(23,507)	(22,238)
Net cash used in financing activities	(254,323)	(104,451)	(200,109)	(219,490)
Net increase (decrease) in cash and cash equivalents	535,959	(8,778)	606,058	(18,389)
Cash and cash equivalents at 1 January	515,679	340,634	81,870	95,521
Effect of exchange rate changes on balances held in foreign currency	(19,585)	(4,945)	-	-
Cash and cash equivalents at 30 June	1,032,053	326,911	687,928	77,132

The accompanying notes are an integral part of these financial statements.

Mega Lifesciences Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

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Mega Lifesciences Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 10 August 2016.

1 General information

Mega Lifesciences Public Company Limited, “the Company”, is incorporated in Thailand and has its registered office at No. 384, Moo 4, Bangpoo Industrial Estate, Praksa, Muang - Samutprakarn, Samutprakarn, Thailand.

The Company has representative offices in Vietnam, Uganda, Ukraine and Kenya and representative offices under Mega Lifesciences PTY Limited, a subsidiary, in Sri Lanka, Vietnam, Myanmar, Indonesia, Uzbekistan, Ukraine, Malaysia, Philippines, Kenya, India, Russia, Kazakhstan and Ghana.

The immediate and ultimate holding company during the financial period was Unistretch Limited, which is incorporated in Thailand.

The Company was listed on the Stock Exchange of Thailand on 19 November 2013.

The principal activities of the Group are the manufacture and sale through independent distributors of health food supplements, branded prescription pharmaceutical products, over-the-counter products, herbal products, vitamins and consumer goods as well as the provision of distribution services relating to such products.

Details of the Company’s associate and subsidiaries as at 30 June 2016 are given in notes 3, 6 and 7.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2015. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2015.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2015 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group.

Mega Lifesciences Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(c) Use of judgments and estimates

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

3 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with an associate and subsidiaries are described in note 6 and 7. Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Unistretch Limited	Thailand	Ultimate parent of the Group
Al-Mayoni For Trading Services Ltd.	Yemen	Common shareholders
Magnus Pharmaceuticals Ltd.	Yemen	Common shareholders
Ambika Tours Agency Limited	Thailand	Common shareholders and directors
InsurExcellence Insurance Brokers Ltd.	Thailand	Common shareholders and directors
Linaria Chemical (Thailand) Limited	Thailand	Common shareholders and directors
Mechai Pattana School	Thailand	Common Chairman
Key management personnel	Thai and Indian	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods and rendering of service	Market price minus margin
Purchase of goods and raw materials	Cost plus margin
Interest income and interest expense	Agreed rates stipulated in the agreements
Other income and other expenses	Contractually agreed prices

Significant transactions for the three-month and six-month periods ended 30 June 2016 and 2015 with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 June</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sale of goods and rendering of service	-	-	313,228	274,579
Purchase of goods or receiving of service	-	-	12,464	8,029
Commission expense	-	-	10,821	10,894
Interest expense	-	-	-	11
Other income	-	-	263	90
Advertising expenses	-	-	2,925	4,626
Support service expense	-	-	13,729	10,997
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	34,583	31,026	4,467	4,713
Post-employment benefits	297	330	191	236
Expenses for employee stock option plan	71	71	71	71
Total key management personnel compensation	34,951	31,427	4,729	5,020
Directors' remuneration	1,860	1,860	1,860	1,860
Other related parties				
Purchase of goods or receiving of services	2,501	3,250	1,654	2,042
Advertising expenses	-	2,100	-	2,100
Business support charges	2,651	-	2,651	-

	Consolidated		Separate	
	financial statements		financial statements	
<i>Six-month period ended 30 June</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sale of goods and rendering of service	-	-	563,233	486,369
Purchase of goods or receiving of service	-	-	25,157	16,258
Commission expense	-	-	18,878	16,406
Interest expense	-	-	-	21
Interest income	-	-	-	113
Other income	-	-	832	156
Advertising expenses	-	-	7,490	10,538

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<i>Six-month period ended 30 June</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Support service expense	-	-	26,971	10,997
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	64,100	57,520	8,431	8,751
Post-employment benefits	594	661	381	472
Expenses for employee stock option plan	143	143	143	143
Total key management personnel Compensation	64,837	58,324	8,955	9,366
Directors' remuneration	3,720	3,720	3,720	3,720
Other related parties				
Sale of goods	8,215	10,239	8,215	10,239
Purchase of goods or receiving of services	5,574	6,979	3,353	3,639
Donation	-	500	-	500
Advertising expenses	-	3,315	-	3,315
Business support charges	6,705	-	6,705	-

Balances as at 30 June 2016 and 31 December 2015 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30	31	30	31
	June	December	June	December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	595,263	527,424
Other related parties	33,760	36,626	33,760	36,626
Total	33,760	36,626	629,023	564,050

<i>Other receivables - related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30	31	30	31
	June	December	June	December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	16,052	12,120
Other related parties	2,582	106	1,892	-
Total	2,582	106	17,944	12,120

<i>Trade accounts payable - related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30	31	30	31
	June	December	June	December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	21,397	17,668

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Total	<u>-</u>	<u>-</u>	<u>21,397</u>	<u>17,668</u>
<i>Other payables - related parties</i>			Consolidated	Separate
			financial statements	financial statements
	30	31	30	31
	June	December	June	December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	16,852	13,616
Other related parties	129	244	-	-
Total	<u>129</u>	<u>244</u>	<u>16,852</u>	<u>13,616</u>

Significant agreements with related parties

As at 30 June 2016, the Group had the following significant agreements with related parties.

Commission agreement

The Company entered into a commission agreement with Mega Lifesciences (Australia) Pty. Limited, a subsidiary, whereas Mega Lifesciences (Australia) Pty. Limited grants the Company an exclusive right to market, sell and distribute product namely Nat-C either by itself or through third parties. The Company shall pay the commission at the rate of 25% of the sale value on a quarterly basis. This agreement is effective on 1 January 2015, and shall remain valid till it is changed and shall be co-terminous with the said agreements. The agreement shall be automatically renewed after one year with such terms as the parties may agree.

Supply agreement

The Company has a supply agreement with Mega Lifesciences Pty. Limited, a subsidiary, whereby the Company agrees to manufacture and supply the product as per required specification and as per Good Manufacturing Practice (GMP). This agreement is effective on the agreement date and shall be terminated by either party giving at least 30 days notice in writing to the other party.

Support service agreement

On 1 April 2015, the Company entered into a support service agreement with Mega Lifesciences Private Limited, a subsidiary, whereby Mega Lifesciences Private Limited agrees to provide, on a non-exclusive basis, the preparatory and auxiliary services including information collection, liaising and co-ordination. The Company has agreed to pay service fee at a mark-up of 13% on the operating costs incurred by Mega Lifesciences Private Limited on a quarterly basis. This agreement is effective on the agreement date and shall be terminated by either party giving at least 90 days notice in writing to the other party.

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4 Other investments

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Current investments				
Short-term deposits at financial institutions	444,573	951,111	444,573	951,111
Total	444,573	951,111	444,573	951,111

During the six-month period ended 30 June 2016, a fixed deposit at a financial institution of Baht 506.54 million was mature. The Company reinvested in a highly liquid investment and reclassified the investment from current investment to cash and cash equivalents.

5 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		<i>(in thousand Baht)</i>			
Related parties	3	33,760	36,626	629,023	564,050
Other parties		1,964,472	2,253,642	526,754	721,135
Total		1,998,232	2,290,268	1,155,777	1,285,185
Less allowance for doubtful accounts		(27,042)	(27,175)	(17,718)	(16,928)
Net		1,971,190	2,263,093	1,138,059	1,268,257
Bad and doubtful debts expense for the six-month period ended 30 June		2,310	18,294	790	16,453

Aging analyses for trade accounts receivable are as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	12,937	19,247	455,076	384,309
Overdue:				
Less than 3 months	-	8,380	71,537	142,275
3 - 6 months	10,239	7,434	63,683	28,916
6 - 12 months	10,584	1,565	38,727	6,423
Over 12 months	-	-	-	2,127
	33,760	36,626	629,023	564,050

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	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30	31	30	31
	June	December	June	December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	1,367,201	1,650,426	269,004	503,796
Overdue:				
Less than 3 months	524,332	384,509	228,477	116,460
3 - 6 months	18,200	132,854	5,824	68,049
6 - 12 months	26,906	60,817	6,269	25,918
Over 12 months	27,833	25,036	17,180	6,912
	1,964,472	2,253,642	526,754	721,135
<i>Less allowance for</i>				
doubtful accounts	<i>(27,042)</i>	<i>(27,175)</i>	<i>(17,718)</i>	<i>(16,928)</i>
	1,937,430	2,226,467	509,036	704,207
Net	1,971,190	2,263,093	1,138,059	1,268,257

The normal credit term granted by the Group ranges from 30 days to 360 days.

The aging is calculated by counting the age of trade accounts receivable from the day the Group delivers products and issues an invoice to the local importers or distributors. However, revenue is not recognised until such local importers or distributors complete the sale of products to the end consumers. Consequently, there is a time lag between when the aging commences and when the revenue is recognised. This results in an apparent high level of overdue trade accounts receivable.

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6 Investments in associate

Investments in an associate as at 30 June 2016 and 31 December 2015 were as follows:

	Type of business	Country of Incorporation	Consolidated financial statements							
			Ownership interest		Paid-up capital		Cost		Equity	
			30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
			(%)				(in thousand Baht)			
<i>Indirect associate</i>										
Mega Product (Yemen) Limited	Distribution and marketing	Yemen	48.99	48.99	2,476	2,476	1,213	1,213	-	-
Total							1,213	1,213	-	-

The Group has not recognised losses relating to certain investments accounted for using the equity method where its share of losses exceeds the carrying amount of those investments. As at 30 June 2016, the Group's cumulative share of unrecognised losses was Baht 6.64 million (31 December 2015: Baht 5.93 million), of which the Group's share of losses for the six-month period ended 30 June 2016 was Baht 1.69 million (30 June 2015: losses of Baht 1.18 million). The Group has no obligation in respect of these losses.

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7 Investments in subsidiaries

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	71,574	59,923
Increase	11,900	5,652
At 30 June	83,474	65,575
At 31 December		71,574

Employee stock option plan

Additional investments in subsidiaries of Baht 6.8 million resulted from Employee Stock Option Plan granted to employees of the Company's subsidiaries during the six-month period ended 30 June 2016 (2015: Baht 5.3 million) (see note 11).

Additional investment in direct subsidiaries

During the six-month period ended 30 June 2016, the Company made an additional investment of Baht 4.6 million in the issued and paid up capital of Mega We Care Limited, a direct subsidiary in Thailand, in order to expand the business.

During the six-month period ended 30 June 2016, the Company made an additional investment of Baht 0.5 million in the issued and paid up capital of Mega Lifesciences Limited, a direct subsidiary in Ukraine, in order to expand the business.

During the six-month period ended 30 June 2015, the Company made an additional investment of Baht 0.3 million in the issued and paid up capital of Mega Lifesciences Limited, a direct subsidiary in Ukraine, in order to expand the business.

Additional investment in indirect subsidiaries

During March 2015, Mega Lifesciences PTY Limited (Thailand), a subsidiary, made an additional investment of Baht 38.9 million in the issued and paid up capital of Mega Lifesciences (Australia) Pty. Limited, an indirect subsidiary of the Company, in order to expand the business.

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Investments in subsidiaries as at 30 June 2016 and 31 December 2015 and dividend income from those investments for the six-month periods ended 30 June 2016 and 2015 were as follows:

	Type of business	Country of Incorporation	Ownership interest		Paid-up capital		Cost		Dividend income	
			30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	30 June 2015
			(%)				<i>(in thousand Baht)</i>			
<i>Direct subsidiaries</i>										
Mega Lifesciences PTY Limited	Branded products and distribution business	Thailand	99.99	99.99	50,000	50,000	74,529	67,734	-	-
Natural Health Foods Limited	Branded products business	Thailand	99.99	99.99	2,000	2,000	1,996	1,996	-	-
Mega We Care Limited	Branded products business	Thailand	99.96	99.96	4,900	340	4,900	340	-	-
Mega Lifesciences Limited	Branded products business	Ukraine	100.00	100.00	2,049	1,504	2,049	1,504	-	-
Total							83,474	71,574	-	-
<i>Indirect subsidiaries (investment through Mega Lifesciences PTY Limited)</i>										
Mega Lifesciences (Australia) Pty. Limited	Branded and OEM products business	Australia	99.99	99.99	468,294	468,294	469,309	469,065	-	-
Mega Lifesciences (Vietnam) Limited	Branded products and distribution business	Vietnam	99.99	99.99	107,959	107,959	109,988	108,595	-	-
Mega Lifesciences Sdn.Bhd	Branded products business	Malaysia	99.99	99.99	17,214	17,214	17,512	17,440	-	-
PT Mega Lifesciences	Branded products business	Indonesia	98.99	98.99	15,163	15,163	15,012	15,012	-	-

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	Type of business	Country of Incorporation	Ownership interest		Paid-up capital		Cost		Dividend income	
			30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	30 June 2015
			(%)				(in thousand Baht)			
Mega Lifesciences PTY Limited	Branded products and distribution business	Cambodia	99.99	99.99	15,281	15,281	16,772	16,414	-	-
Mega Lifesciences Nigeria Limited	Branded products and distribution business	Nigeria	99.99	99.99	14,885	14,885	16,138	15,837	-	-
Mega Lifesciences Ghana Limited	Branded products business	Ghana	99.99	99.99	9,469	9,469	9,768	9,696	-	-
Mega Lifesciences Private Limited	Branded products business	India	99.99	99.99	4,777	4,777	5,970	5,684	-	-
Mega Lifesciences Limited	Distribution business	Myanmar	99.99	99.99	2,534	2,534	7,201	6,081	-	-
E-Sense Limited	Software design, development and other services business	Thailand	99.96	99.96	500	500	499	499	-	-
Mega Products (Mauritius) Limited	Distribution business	Mauritius	99.99	99.99	410	410	2,319	1,861	-	-
Mega Lifesciences Pte. Ltd.	Distribution business	Singapore	99.99	99.99	156	156	156	156	-	-
Mega Lifesciences PTY Peru S.A.C.	Branded products business	Peru	99.99	99.99	100	100	695	552	-	-
Total							671,339	666,892	-	-

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8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2016 and 2015 were as follows:

<i>Six-month period ended 30 June</i>	Consolidated financial statements			
	2016		2015	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Land	167,224	-	37,708	-
Building and building improvements	10,435	-	7,762	-
Leasehold improvements	945	-	2,273	100
Machinery and equipment	36,743	-	64,868	-
Furniture, fixtures and office equipment	11,104	12	10,357	59
Vehicles	1,189	221	3,409	3,378
Assets under construction	18,241	14,877	7,496	37,731
Exchange differences	(5,672)	-	(24,312)	-
Total	240,209	15,110	109,561	41,268

<i>Six-month period ended 30 June</i>	Separate financial statements			
	2016		2015	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Land	167,224	-	-	-
Building and building improvements	9,536	-	4,985	-
Machinery and equipment	35,621	-	56,406	-
Furniture, fixtures and office equipment	2,772	-	3,330	-
Vehicles	420	-	47	-
Assets under construction	2,968	14,877	7,496	37,731
Total	218,541	14,877	72,264	37,731

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9 Deferred tax

Deferred tax assets and liabilities as at 30 June 2016 and 31 December 2015 were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Total	315,012	342,269	(210,228)	(237,902)
Set off of tax	(209,375)	(236,553)	209,375	236,553
Net deferred tax assets (liabilities)	105,637	105,716	(853)	(1,349)

	Separate financial statements			
	Assets		Liabilities	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Total	39,108	56,437	(8,949)	(18,527)
Set off of tax	(8,949)	(18,527)	8,949	18,527
Net deferred tax assets	30,159	37,910	-	-

Deferred tax assets arising from accounts receivable relate to export of finished goods from Thailand to other countries for which tax becomes payable upon export of the goods but for which revenue is recognised in the statement of income subsequently at the moment the goods are sold to third parties outside the Group. Deferred tax liabilities arising from inventories also relate to export of finished goods for which the cost becomes deductible for tax upon export but for which the cost of sales is recognised in the statement of income at the moment the goods subsequently are sold to third parties outside the Group.

Movements in total deferred tax assets and liabilities during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated financial statements			
	At 1 January 2016	(Charged) / Credited to:		At 30 June 2016
		profit or loss (Note 14)	Exchange differences	
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Accounts receivables	302,939	(32,740)	(621)	269,578
Provision for employee benefits	20,125	1,264	(320)	21,069
Loss carry forward	18,008	(4,447)	(83)	13,478
Others	1,197	13,168	(3,478)	10,887
Total	342,269	(22,755)	(4,502)	315,012
Deferred tax liabilities				
Inventories	234,398	(25,833)	-	208,565
Property, plant and equipment	3,504	(1,100)	(741)	1,663
Total	237,902	(26,933)	(741)	210,228
Net	104,367	4,178	(3,761)	104,784

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	Consolidated financial statements			At 30 June 2015
	At 1 January 2015	(Charged) / Credited to: profit or loss (Note 14) (in thousand Baht)	Exchange differences	
Deferred tax assets				
Accounts receivables	243,339	(13,001)	(49)	230,289
Provision for employee benefits	15,872	4,686	(207)	20,351
Loss carry forward	22,157	422	(684)	21,895
Others	2,507	(210)	(63)	2,234
Total	283,875	(8,103)	(1,003)	274,769
Deferred tax liabilities				
Inventories	189,920	(19,651)	-	170,269
Property, plant and equipment	3,416	(225)	(574)	2,617
Total	193,336	(19,876)	(574)	172,886
Net	90,539	11,773	(429)	101,883

	Separate financial statements		
	At 1 January 2016	(Charged) / Credited to : profit or loss (Note 14) (in thousand Baht)	At 30 June 2016
Deferred tax assets			
Accounts receivables	45,730	(17,788)	27,942
Provision for employee benefits	10,548	411	10,959
Others	159	48	207
Total	56,437	(17,329)	39,108
Deferred tax liabilities			
Inventories	18,527	(9,578)	8,949
Total	18,527	(9,578)	8,949
Net	37,910	(7,751)	30,159

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	Separate financial statements		
	At 1 January 2015	(Charged) / Credited to : profit or loss (Note 14)	At 30 June 2015
	<i>(in thousand Baht)</i>		
Deferred tax assets			
Accounts receivables	21,324	14,703	36,027
Provision for employee benefits	8,539	3,872	12,411
Others	120	(3)	117
Total	29,983	18,572	48,555
Deferred tax liabilities			
Inventories	8,681	4,394	13,075
Total	8,681	4,394	13,075
Net	21,302	14,178	35,480

10 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties	-	-	21,397	17,668
Other parties	1,346,849	1,602,895	145,040	152,848
Total	1,346,849	1,602,895	166,437	170,516

11 Warrants

Employee Stock Option Plan

At the extra ordinary general meeting of Shareholders held on 7 June 2013, the shareholders approved the issue and offering of warrants to purchase ordinary shares of the Company to full-time employees at assistant manager level or above of the Group. The Group communicated terms and conditions of the scheme to the employees during June 2014.

Significant descriptions of the Employee Stock Option Plan

Securities type	Warrants to purchase the ordinary shares of the Company
Qualifications of employees eligible for warrants	Full-time employees, at level of assistant manager or above of the Company, its subsidiaries and/or affiliates on or after the date on which the issuance and offering of warrants is announced, including those who have been transferred or seconded to any other company while continuing to be employed by the Company, its subsidiaries and/or affiliates.

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Type of warrants	Warrants with specified name and non-transferable unless otherwise transferred in accordance with the terms and conditions of the warrants
Term	Not exceeding 5 years from the date of issuance of the warrants
Grant date	6 June 2014
Number of warrants issued	8,652,400 units
Offer price per unit	Baht 0 (zero Baht)
Exercise ratio	1 unit of warrant per 1 ordinary share, subject to change according to the conditions for adjustment of rights as prescribed under the terms and conditions of the warrants.
Exercise price	Baht 17.50 per share which is equivalent to the IPO price.
Exercise period	On the last day of each month of the 6 month period commencing from the end of 4th year 6 month anniversary
Fair value of warrants	8.35 Baht per unit

The Group measured fair value of options using Black-Scholes model based on number of employees in employment on the reporting date to whom warrants have been awarded with the assumption that all of the option will be exercised at the exercisable period. The Group measured volatility based on three-month historical volatility per month extrapolated to 12 months.

Principal assumptions for options fair-value valuation are as follows:

Ordinary share price per share (Baht)	22.25
Exercise price per option (Baht)	17.50
Expected volatility	28.25%
Options term life (Years)	5
Expected dividend per share (Baht)	0.18
Risk-free interest rate	3.09%

The Group recorded the transaction for the employee stock option plan as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Statement of financial position as at 30 June 2016/ 31 December 2015</i>				
Investments in subsidiaries	-	-	24,532	17,738
Warrant	(27,514)	(20,004)	(27,514)	(20,004)
<i>Statement of comprehensive income for the six-month periods ended 30 June</i>				
Administrative expenses	7,510	6,031	715	715

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12 Corporate social responsibility reserve

The board of directors approved the appropriation up to maximum of 2% of its consolidated profit after tax to support its corporate social responsibility activities. The Group recorded corporate social responsibility reserve during the six-month period ended 30 June 2016 of Baht 1.7 million in the consolidated and separate financial statements (*30 June 2015: Baht 5.5 million*). During the six-month period ended 30 June 2015, the Company donated an amount of Baht 0.5 million to Mechai Pattana School and reduced such amount from the corporate social responsibility reserve in the consolidated and separate statements of changes in equity.

13 Segment information

The Group comprises the following segment information:

Segment 1	Brands
Segment 2	Distribution
Segment 3	OEM (“Original Equipment Manufacture”)

“Brands” represents a business segment in which goods are manufactured and sold under brands owned by the Group.

“Distribution” represents a service business segment in which the Group provides logistical and marketing services for goods trading purpose and sale of goods manufactured by third parties.

“OEM” represents a business segment in which goods are manufactured for third parties under brands not owned by the Group.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Inter-segment charge

The distribution segment provides service to the brand segment in which the inter-segment pricing is determined on an arm’s length basis.

Segment results

The segment results are derived from reportable segment revenue minus allocated cost for each segment and inter-segment charges.

Segment assets and liabilities

Segment assets and liabilities are based on the allocation to each segment of the assets and liabilities which are used for the operations of each segment.

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Information about reportable segments:

<i>Three-month period ended 30 June</i>	Brand		Distribution		OEM		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(in thousand Baht)</i>							
External revenue	1,125,077	1,040,980	854,903	821,956	101,773	109,430	2,081,753	1,972,366
Inter-segment revenue	(39,305)	(34,540)	39,305	34,540	-	-	-	-
Other income	2,157	1,203	1,574	866	93	296	3,824	2,365
Total segment revenue	1,087,929	1,007,643	895,782	857,362	101,866	109,726	2,085,577	1,974,731
Segment results	279,179	190,308	65,844	41,127	21,456	13,879	366,479	245,314
	<i>(in thousand Baht)</i>							
<i>Six-month period ended 30 June</i>	Brand		Distribution		OEM		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
External revenue	2,047,875	1,918,716	1,808,904	1,644,934	182,355	213,553	4,039,134	3,777,203
Inter-segment revenue	(74,798)	(67,735)	74,798	67,735	-	-	-	-
Other income	4,335	4,055	2,824	2,534	165	296	7,324	6,885
Total segment revenue	1,977,412	1,855,036	1,886,526	1,715,203	182,520	213,849	4,046,458	3,784,088
Segment results	418,875	346,104	180,545	89,768	29,328	29,504	628,748	465,376
Segment assets as at 30 June/ 31 December	2,076,713	2,376,830	1,802,931	1,883,955	214,687	244,592	4,094,331	4,505,377

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Reconciliation of reportable segment profit or loss and assets

Three-month period ended 30 June

2016 2015
(in thousand Baht)

Profit or loss

Total profit for reportable segments	366,479	245,314
Unallocated amounts:		
Other corporate expenses	(47,082)	(45,170)
Depreciation and amortisation	(37,064)	(35,997)
Finance costs	(4,462)	(3,289)
Investment income	4,092	7,280
Other income	670	868
Net foreign exchange gain (loss)	(35,408)	33,564
Income tax expense	(29,187)	(37,062)
Consolidated profit	218,038	165,508

Six-month period ended 30 June

2016 2015
(in thousand Baht)

Profit or loss

Total profit for reportable segments	628,748	465,376
Unallocated amounts:		
Other corporate expenses	(97,913)	(84,285)
Depreciation and amortisation	(74,535)	(71,407)
Finance costs	(7,908)	(5,784)
Investment income	7,670	15,244
Other income	1,009	3,706
Net foreign exchange gain (loss)	(61,952)	5,404
Income tax expense	(63,007)	(56,275)
Consolidated profit	332,112	271,979

30 June 31 December
2016 2015
(in thousand Baht)

Assets

Total assets for reportable segments	4,094,331	4,505,377
Other unallocated amounts	3,233,842	3,104,664
Consolidated total assets	7,328,173	7,610,041

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14 Income tax expense

Income tax recognised in profit or loss

<i>Six-month period ended 30 June</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Current tax expense					
Current tax expense		67,477	64,216	13,149	25,189
Adjustment for prior years		(292)	3,832	355	-
		<u>67,185</u>	<u>68,048</u>	<u>13,504</u>	<u>25,189</u>
Deferred tax expense					
Movements in temporary differences	9	(4,178)	(11,773)	7,751	(14,178)
Total income tax expense		<u>63,007</u>	<u>56,275</u>	<u>21,255</u>	<u>11,011</u>

The current tax expense in the consolidated and separate statements of comprehensive income are different from the amount determined by applying the Thai corporation tax rate to the accounting profit for the period principally because:

- (a) a significant portion of the Group's profit was derived from promoted activities which are not subject to tax.
- (b) of the different treatment for accounting and taxation purposes of certain items of income/expense, in particular, allowance for obsolescence and temporally difference arising from revenue and cost of sale of export of finished goods from Thailand to other countries for which tax becomes payable upon export of the goods but for which revenue and cost of sale are recognised in the statement of income subsequently at the moment the goods are sold to third parties outside the Group.

15 Earnings per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2016 and 2015 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	<u>218,076</u>	<u>165,492</u>	<u>161,625</u>	<u>124,497</u>
Weighted average number of ordinary shares outstanding	<u>865,249</u>	<u>865,249</u>	<u>865,249</u>	<u>865,249</u>
Basic and diluted earnings per share (in Baht)	<u>0.25</u>	<u>0.19</u>	<u>0.19</u>	<u>0.14</u>

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	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Six-month period ended 30 June</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	<u>332,048</u>	<u>271,979</u>	<u>247,089</u>	<u>222,804</u>
Weighted average number of ordinary shares outstanding	<u>865,249</u>	<u>865,249</u>	<u>865,249</u>	<u>865,249</u>
Basic and diluted earnings per share (in Baht)	<u>0.38</u>	<u>0.31</u>	<u>0.29</u>	<u>0.26</u>

Diluted earnings per share

During the year 2014, the Company issued the warrants for employees (note 11). The issue of warrants does not have the dilutive effect on the earnings per share calculation because the fair value of the service yet to be rendered together with the exercise prices exceeds the average market price of ordinary share during the financial period.

16 Dividends

At the annual general meeting of the shareholders of the Company held on 11 April 2016, the shareholders approved the appropriation of dividends of Baht 0.24 per share, amounting to Baht 207.7 million. The dividends were paid to shareholders during April 2016.

At the annual general meeting of the shareholders of the Company held on 10 April 2015, the shareholders approved the appropriation of dividends of Baht 0.25 per share, amounting to Baht 216.3 million. The dividends were paid to shareholders during April 2015.

17 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value	Carrying amount	Fair value
	<i>(in thousand Baht)</i>			
Finance lease liabilities	22,307	21,331	28	28

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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18 Commitments and contingent liabilities with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	June	December	June	December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Contracted but not provided for:				
Land	94,080	94,080	94,080	94,080
Buildings and other constructions	36,043	49,150	29,698	49,150
Vehicles	-	5,289	-	-
Total	130,123	148,519	123,778	143,230
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	39,302	39,417	5,897	7,097
After one year but within five years	25,793	39,151	7,568	10,319
Total	65,095	78,568	13,465	17,416
<i>Other commitments</i>				
Purchase orders for goods and supplies	62,086	123,315	62,086	123,315
Bank guarantees	305,890	46,779	292,186	46,779
Total	367,976	170,094	354,272	170,094

Operating lease agreements

The Group has various operating lease agreements for office and warehouse rental. The period of agreements is variable from 6 months to 4 years.

Distribution and service agreements

The Group has entered into usually exclusive distribution and service agreements with third parties in various countries. The compensation for the distributors is variable and depends on the volume of business carried out. The compensation accruing to the Group is usually fixed and revised periodically. The agreements can usually be terminated within a year without the Group incurring significant obligations.

Contingent liabilities

As at 30 June 2016, the Company had contingent liabilities with financial institutions to guarantee the Company's subsidiaries in respect of line of credit use for amounts up to Baht 1,517 million and U.S. Dollars 15 million (31 December 2015: Baht 1,225 million and U.S. Dollars 13 million).

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19 Events after reporting period

At the meeting of the Board of Directors held on 10 August 2016, the director approved the appropriation of dividends of Baht 0.23 per share, amounting to Baht 199.01 million. The dividends will be paid to shareholders during 2016.

20 Thai Financial Reporting Standards (TFRS) not yet adopted

The following announcement has been issued but are not yet effective and has not been applied in preparing these interim financial statements. This new announcement may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, and is set out below. The Group does not plan to adopt this announcement early.

TFRS	Topic
FAP Announcement no. 5/2559	Accounting Guidance for derecognition of financial assets and financial liabilities

The Group has made a preliminary assessment of the potential initial impact on the Group's financial statements of this announcement and expects that there will be no material impact on the financial statements in the period of initial application.

21 Reclassification of accounts

Certain accounts in the 2015 consolidated financial statements have been reclassified to conform to the presentation in the 2016 financial statements. The significant reclassifications were as follows:

	2015		
	Consolidated financial statements		
	Before reclass.	Reclass. <i>(in thousand Baht)</i>	After reclass.
<i>Statement of financial position</i>			
Trade accounts receivable	2,253,362	9,731	2,263,093
Other receivables	232,598	(49,848)	182,750
Advances to suppliers and distributors	149,878	37,611	187,489
Trade accounts payable	(1,604,214)	1,319	(1,602,895)
Other payables	(331,033)	(1,319)	(332,352)
Accrued expenses	(445,617)	2,506	(443,111)
		<u> -</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.