

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

Interim financial statements  
for the three-month and six-month periods ended  
30 June 2017

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 2017; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 2017; 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 Chunchakitpaisan)  
Certified Public Accountant  
Registration No. 6105

KPMG Phoomchai Audit Ltd.  
Bangkok  
11 August 2017

# 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
Assets	Note	2017	2016	2017	2016
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents		692,124	565,856	75,080	104,914
Current investments	5	673,834	650,938	656,844	650,938
Trade accounts receivable	4, 6	2,107,144	2,233,032	1,127,517	1,073,829
Other current receivables	4	185,777	141,592	75,946	46,262
Short-term loans to related parties	4	-	-	42,180	33,037
Inventories		2,161,451	1,888,865	634,889	505,226
Advances to suppliers and distributors		216,184	191,155	36,007	23,579
Restricted deposits at financial institution		11,596	16,737	-	-
Other current assets		-	718	-	-
<b>Total current assets</b>		<b>6,048,110</b>	<b>5,688,893</b>	<b>2,648,463</b>	<b>2,437,785</b>
<b>Non-current assets</b>					
Investments in associate	7	-	-	-	-
Investments in joint venture	7	4,424	4,918	5,100	5,100
Investments in subsidiaries	8	-	-	724,816	718,929
Property, plant and equipment	9	1,117,349	1,151,822	759,152	784,483
Goodwill		215,654	217,457	-	-
Intangible assets		513,995	518,598	193,269	193,825
Prepaid rent for leased land		129,064	136,613	-	-
Deferred tax assets	10	58,682	88,083	19,940	32,971
Other non-current assets		135,259	134,589	111,611	111,598
<b>Total non-current assets</b>		<b>2,174,427</b>	<b>2,252,080</b>	<b>1,813,888</b>	<b>1,846,906</b>
<b>Total assets</b>		<b>8,222,537</b>	<b>7,940,973</b>	<b>4,462,351</b>	<b>4,284,691</b>

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
<b>Liabilities and equity</b>	<i>Note</i>	2017	2016	2017	2016
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b><i>Current liabilities</i></b>					
Bank overdrafts and short-term borrowings from financial institutions		725,048	654,159	391,062	348,157
Trade accounts payable	4, 11	1,441,047	1,518,603	225,358	193,245
Other current payables	4	421,621	371,561	112,891	106,056
Current portion of finance lease liabilities		9,042	8,934	-	-
Current income tax payable		44,264	70,363	4,284	23,239
Accrued expenses		564,611	529,268	62,767	79,663
<b>Total current liabilities</b>		<b>3,205,633</b>	<b>3,152,888</b>	<b>796,362</b>	<b>750,360</b>
<b><i>Non-current liabilities</i></b>					
Finance lease liabilities		1,622	6,615	-	-
Deferred tax liabilities	10	584	874	-	-
Non-current provisions for employee benefit		103,431	98,046	63,372	58,556
Other non-current liabilities		2,530	2,740	-	-
<b>Total non-current liabilities</b>		<b>108,167</b>	<b>108,275</b>	<b>63,372</b>	<b>58,556</b>
<b>Total liabilities</b>		<b>3,313,800</b>	<b>3,261,163</b>	<b>859,734</b>	<b>808,916</b>

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
<b>Liabilities and equity</b>	<i>Note</i>	2017	2016	2017	2016
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b>Shareholders' equity</b>					
Share capital:					
Authorized share capital		436,951	436,951	436,951	436,951
Issued and paid share capital		432,625	432,625	432,625	432,625
Share premium:					
Share premium on ordinary shares		2,138,104	2,138,104	2,138,104	2,138,104
Warrants	<i>12</i>	40,721	34,118	40,721	34,118
Retained earnings					
Appropriated					
Legal reserve		49,088	49,088	43,695	43,695
Corporate social responsibility reserve	<i>13</i>	25,060	25,060	25,060	25,060
Unappropriated		2,501,051	2,226,343	922,412	802,173
Other components of shareholders' equity		(277,931)	(225,534)	-	-
<b>Equity attributable to owners</b>					
<b>of the parent</b>		<b>4,908,718</b>	<b>4,679,804</b>	<b>3,602,617</b>	<b>3,475,775</b>
Non-controlling interests		19	6	-	-
<b>Total shareholders' equity</b>		<b>4,908,737</b>	<b>4,679,810</b>	<b>3,602,617</b>	<b>3,475,775</b>
<b>Total liabilities and shareholders' equity</b>		<b>8,222,537</b>	<b>7,940,973</b>	<b>4,462,351</b>	<b>4,284,691</b>

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	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenue from sale of goods and rendering of services	4, 14	2,395,405	2,081,753	818,380	723,558
Investment income		4,304	4,092	2,871	3,208
Net foreign exchange gain		-	-	-	3,858
Other income	4	4,329	4,494	2,746	2,580
<b>Total revenues</b>		<b>2,404,038</b>	<b>2,090,339</b>	<b>823,997</b>	<b>733,204</b>
<b>Expenses</b>					
Cost of sales of goods and rendering of services	4	1,314,512	1,163,656	422,411	393,364
Selling expenses	4	465,170	375,856	99,975	85,162
Administrative expenses	4	277,047	263,732	88,860	80,840
Net foreign exchange loss		17,491	35,408	11,884	-
Finance costs		6,697	4,462	1,286	1,446
<b>Total expenses</b>		<b>2,080,917</b>	<b>1,843,114</b>	<b>624,416</b>	<b>560,812</b>
Share of loss of joint venture		(420)	-	-	-
<b>Profit before income tax expense</b>		<b>322,701</b>	<b>247,225</b>	<b>199,581</b>	<b>172,392</b>
Tax income (expense)		(32,065)	(29,187)	126	(10,767)
<b>Profit for the period</b>		<b>290,636</b>	<b>218,038</b>	<b>199,707</b>	<b>161,625</b>
<b>Other comprehensive income</b>					
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>					
Exchange differences on translating financial statements		(5,774)	(18,475)	-	-
<b>Other comprehensive expense for the period, net of tax</b>		<b>(5,774)</b>	<b>(18,475)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>284,862</b>	<b>199,563</b>	<b>199,707</b>	<b>161,625</b>
<b>Profit attributable to:</b>					
Owners of parent		290,646	218,076	199,707	161,625
Non-controlling interests		(10)	(38)	-	-
<b>Profit for the period</b>		<b>290,636</b>	<b>218,038</b>	<b>199,707</b>	<b>161,625</b>
<b>Total comprehensive income attributable to:</b>					
Owners of parent		284,872	199,602	199,707	161,625
Non-controlling interests		(10)	(39)	-	-
<b>Total comprehensive income for the period</b>		<b>284,862</b>	<b>199,563</b>	<b>199,707</b>	<b>161,625</b>
<b>Basic earnings per share (in Baht)</b>	16	<b>0.34</b>	<b>0.25</b>	<b>0.23</b>	<b>0.19</b>
<b>Diluted earnings per share (in Baht)</b>	16	<b>0.34</b>	<b>0.25</b>	<b>0.23</b>	<b>0.19</b>

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

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

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
<i>Note</i>	2017	2016	2017	2016	
	<i>(in thousand Baht)</i>				
<b>Revenues</b>					
Revenue from sale of goods and rendering of services	4, 14	4,491,423	4,039,134	1,476,022	1,333,003
Investment income		8,469	7,670	5,363	6,434
Net foreign exchange gain		8,195	-	-	-
Other income	4	9,481	8,333	5,220	4,908
<b>Total revenues</b>		<b>4,517,568</b>	<b>4,055,137</b>	<b>1,486,605</b>	<b>1,344,345</b>
<b>Expenses</b>					
Cost of sales of goods and rendering of services	4	2,513,018	2,353,692	757,813	740,348
Selling expenses	4	901,854	714,145	189,551	147,792
Administrative expenses	4	529,031	522,321	166,132	166,260
Net foreign exchange loss		-	61,952	24,995	18,612
Finance costs		13,957	7,908	2,420	2,989
<b>Total expenses</b>		<b>3,957,860</b>	<b>3,660,018</b>	<b>1,140,911</b>	<b>1,076,001</b>
Share of loss of joint venture	7	(494)	-	-	-
<b>Profit before income tax expense</b>		<b>559,214</b>	<b>395,119</b>	<b>345,694</b>	<b>268,344</b>
Tax expense	15	(76,832)	(63,007)	(17,795)	(21,255)
<b>Profit for the period</b>		<b>482,382</b>	<b>332,112</b>	<b>327,899</b>	<b>247,089</b>
<b>Other comprehensive income</b>					
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>					
Exchange differences on translating financial statements		(52,398)	(9,320)	-	-
<b>Other comprehensive expense for the period, net of tax</b>		<b>(52,398)</b>	<b>(9,320)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>429,984</b>	<b>322,792</b>	<b>327,899</b>	<b>247,089</b>
<b>Profit attributable to:</b>					
Owners of parent		482,368	332,048	327,899	247,089
Non-controlling interests		14	64	-	-
<b>Profit for the period</b>		<b>482,382</b>	<b>332,112</b>	<b>327,899</b>	<b>247,089</b>
<b>Total comprehensive income attributable to:</b>					
Owners of parent		429,971	332,727	327,899	247,089
Non-controlling interests		13	65	-	-
<b>Total comprehensive income for the period</b>		<b>429,984</b>	<b>332,792</b>	<b>327,899</b>	<b>247,089</b>
<b>Basic earnings per share (in Baht)</b>	16	<b>0.56</b>	<b>0.38</b>	<b>0.38</b>	<b>0.29</b>
<b>Diluted earnings per share (in Baht)</b>	16	<b>0.56</b>	<b>0.37</b>	<b>0.38</b>	<b>0.28</b>

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)**

<b>Consolidated financial statements</b>												
<i>Note</i>	Retained earnings						Other component of shareholders' equity					
	Issued and paid share capital	Share premium	Warrants	Legal reserve	Corporate social responsibility reserve	Unappropriated	Translation of financial statements	Total other components of shareholders' equity	Equity attributable to owners of parent	Non-controlling interests	Total shareholders' equity	
<i>(in thousand Baht)</i>												
<b>Six-month period ended 30 June 2016</b>												
<b>Balance at 1 January 2016</b>	<b>432,625</b>	<b>2,138,104</b>	<b>20,004</b>	<b>49,088</b>	<b>23,400</b>	<b>1,839,761</b>	<b>(168,292)</b>	<b>(168,292)</b>	<b>4,334,690</b>	<b>(22)</b>	<b>4,334,668</b>	
<b>Transactions with owners, recorded directly in equity</b>												
<i>Contributions by and distributions to owners of the parent</i>												
Dividends to owners of the Company	17	-	-	-	-	(207,660)	-	-	(207,660)	-	(207,660)	
Share-based payment transactions	12	-	7,510	-	-	-	-	-	7,510	-	7,510	
<b>Total contributions by and distributions to owners of the parent</b>		<b>-</b>	<b>7,510</b>	<b>-</b>	<b>-</b>	<b>(207,660)</b>	<b>-</b>	<b>-</b>	<b>(200,150)</b>	<b>-</b>	<b>(200,150)</b>	
<b>Comprehensive income for the period</b>												
Profit		-	-	-	-	332,048	-	-	332,048	64	332,112	
Other comprehensive income		-	-	-	-	-	(9,321)	(9,321)	(9,321)	1	(9,320)	
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>332,048</b>	<b>(9,321)</b>	<b>(9,321)</b>	<b>322,727</b>	<b>65</b>	<b>322,792</b>	
Transfer to corporate social responsibility reserve	13	-	-	-	1,660	(1,660)	-	-	-	-	-	
<b>Balance at 30 June 2016</b>		<b>432,625</b>	<b>2,138,104</b>	<b>27,514</b>	<b>49,088</b>	<b>25,060</b>	<b>1,962,489</b>	<b>(177,613)</b>	<b>(177,613)</b>	<b>4,457,267</b>	<b>43</b>	<b>4,457,310</b>

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)**

<b>Consolidated financial statements</b>											
	Retained earnings						Other component of shareholders' equity				
	Issued and paid share capital	Share premium	Warrants	Legal reserve	Corporate social responsibility reserve	Unappropriated	Translation of financial statements	Total other components of shareholders' equity	Equity attributable to owners of parent	Non-controlling interests	Total shareholders' equity
<i>Note</i>	<i>(in thousand Baht)</i>										
<b>Six-month period ended 30 June 2017</b>											
<b>Balance at 1 January 2017</b>	432,625	2,138,104	34,118	49,088	25,060	2,226,343	(225,534)	(225,534)	4,679,804	6	4,679,810
<b>Transactions with owners, recorded directly in equity</b>											
<i>Contributions by and distributions to owners of the parent</i>											
Dividends to owners of the Company	17	-	-	-	-	(207,660)	-	-	(207,660)	-	(207,660)
Share-based payment transactions	12	-	6,603	-	-	-	-	-	6,603	-	6,603
<b>Total contributions by and distributions to owners of the parent</b>		-	6,603	-	-	(207,660)	-	-	(201,057)	-	(201,057)
<b>Comprehensive income for the period</b>											
Profit		-	-	-	-	482,368	-	-	482,368	14	482,382
Other comprehensive income		-	-	-	-	-	(52,397)	(52,397)	(52,397)	(1)	(52,398)
<b>Total comprehensive income for the period</b>		-	-	-	-	482,368	(52,397)	(52,397)	429,971	13	429,984
<b>Balance at 30 June 2017</b>	432,625	2,138,104	40,721	49,088	25,060	2,501,051	(277,931)	(277,931)	4,908,718	19	4,908,737

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 shareholders' equity
		Issued and paid share capital	Share premium	Warrants	Legal reserve	Corporate social responsibility reserve	Retained earnings Unappropriated	
<i>(in thousand Baht)</i>								
<b>Six-month period ended 30 June 2016</b>								
Balance at 1 January 2016		432,625	2,138,104	20,004	43,695	23,400	609,084	3,266,912
<b>Transactions with owners, recorded directly in equity</b>								
<i>Contributions by and distributions to owners of the Company</i>								
Dividends to owners of the Company	17	-	-	-	-	-	(207,660)	(207,660)
Share-based payment transactions	12	-	-	7,510	-	-	-	7,510
<b>Total contributions by and distributions to owners of the Company</b>		<u>-</u>	<u>-</u>	<u>7,510</u>	<u>-</u>	<u>-</u>	<u>(207,660)</u>	<u>(200,150)</u>
<b>Comprehensive income for the period</b>								
Profit		-	-	-	-	-	247,089	247,089
Other comprehensive income		-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,089</u>	<u>247,089</u>
Transfer to corporate social responsibility reserve	13	-	-	-	-	1,660	(1,660)	-
<b>Balance at 30 June 2016</b>		<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 changes in equity (Unaudited)**

	Note	Separate financial statements						Total shareholders' equity
		Issued and paid share capital	Share premium	Warrants	Retained earnings			
					Legal reserve	Corporate social responsibility reserve	Unappropriated	
<i>(in thousand Baht)</i>								
<b>Six-month period ended 30 June 2017</b>								
<b>Balance at 1 January 2017</b>		<b>432,625</b>	<b>2,138,104</b>	<b>34,118</b>	<b>43,695</b>	<b>25,060</b>	<b>802,173</b>	<b>3,475,775</b>
<b>Transactions with owners, recorded directly in equity</b>								
<i>Contributions by and distributions to owners of the Company</i>								
Dividends to owners of the Company	17	-	-	-	-	-	(207,660)	(207,660)
Share-based payment transactions	12	-	-	6,603	-	-	-	6,603
<b>Total contributions by and distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>6,603</b>	<b>-</b>	<b>-</b>	<b>(207,660)</b>	<b>(201,057)</b>
<b>Comprehensive income for the period</b>								
Profit		-	-	-	-	-	327,899	327,899
Other comprehensive income		-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>327,899</b>	<b>327,899</b>
<b>Balance at 30 June 2017</b>		<b>432,625</b>	<b>2,138,104</b>	<b>40,721</b>	<b>43,695</b>	<b>25,060</b>	<b>922,412</b>	<b>3,602,617</b>

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

## Mega Lifesciences Public Company Limited and its Subsidiaries

### Statement of cash flows (Unaudited)

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b><i>Cash flows from operating activities</i></b>					
Profit for the period		482,382	332,112	327,899	247,089
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation		72,514	70,787	38,673	36,041
Amortization of intangible assets		4,403	3,748	556	644
(Reversal of) allowance on decline in value of inventories		19,728	15,675	5,367	(4,247)
Investment income		(8,469)	(7,670)	(5,363)	(6,434)
Finance costs		13,957	7,908	2,420	2,989
Allowance for doubtful accounts	6	5,685	2,310	1,040	790
Unrealised (gain) loss on exchange rate		(13,392)	109,862	28,804	59,423
Gain on disposal of property, plant and equipment		(241)	(300)	-	-
Employee benefit obligations		7,037	7,704	4,816	4,304
Share-based payment transactions	12	6,603	7,510	716	715
Share of loss of joint venture		494	-	-	-
Tax expense	15	76,832	63,007	17,795	21,255
		<u>667,533</u>	<u>612,653</u>	<u>422,723</u>	<u>362,569</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		40,921	142,884	(91,857)	64,079
Other current receivables		(35,827)	14,758	(31,059)	(7,382)
Inventories		(306,176)	105,243	(135,030)	106,766
Advances to suppliers and distributors		(25,747)	14,060	(10,523)	20,782
Redemption of restricted deposits at financial institutions		4,230	-	-	-
Other non-current assets		(997)	(501)	(13)	(54)
Trade accounts payable		(29,480)	(216,290)	31,839	(2,048)
Other payables		55,352	(23,686)	7,096	(3,396)
Accrued expenses		44,822	(59,083)	(16,900)	(17,619)
Other non-current liabilities		(38)	-	-	-
Employee benefit obligations paid		<u>(1,553)</u>	<u>(2,300)</u>	<u>-</u>	<u>(2,250)</u>
Net cash generated from operating activities		413,040	587,738	176,276	521,447
Tax paid		<u>(75,722)</u>	<u>(82,021)</u>	<u>(23,720)</u>	<u>(30,650)</u>
<b>Net cash from operating activities</b>		<b><u>337,318</u></b>	<b><u>505,717</u></b>	<b><u>152,556</u></b>	<b><u>490,797</u></b>

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

## Mega Lifesciences Public Company Limited and its Subsidiaries

### Statement of cash flows (Unaudited)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Six-month period ended		Six-month period ended	
	30 June	30 June	30 June	2016
<i>Note</i>	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
<b><i>Cash flows from investing activities</i></b>				
Interest received	8,993	18,433	6,282	17,600
Purchase of property, plant and equipment	(40,444)	(230,987)	(13,342)	(203,663)
Additional investment in subsidiary	8	-	-	(5,105)
Purchase of intangible assets	(2,802)	(10,000)	-	-
Redemption of current investments	450,938	506,538	450,938	506,538
Purchase of current investments	(473,834)	-	(456,844)	-
Short-term loan to related party	-	-	(9,143)	-
Proceed from sale of equipment	715	581	-	-
<b>Net cash from (used in) investing activities</b>	<b>(56,434)</b>	<b>284,565</b>	<b>(22,109)</b>	<b>315,370</b>
<b><i>Cash flows from financing activities</i></b>				
Finance cost paid	(13,749)	(8,158)	(2,417)	(2,964)
Dividends paid	(207,811)	(208,236)	(207,811)	(208,336)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(4,116)	(4,406)	-	(41)
Increase in bank overdrafts and short-term loans from financial institutions	89,604	4,778	49,947	34,739
Repayment of borrowings	-	(38,301)	-	(23,507)
<b>Net cash used in financing activities</b>	<b>(136,072)</b>	<b>(254,323)</b>	<b>(160,281)</b>	<b>(200,109)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>144,812</b>	<b>535,959</b>	<b>(29,834)</b>	<b>606,058</b>
Cash and cash equivalents at beginning of period	565,856	515,679	104,914	81,870
Effect of exchange rate changes on cash and cash equivalents	(18,544)	(19,585)	-	-
<b>Cash and cash equivalents at ending of period</b>	<b>692,124</b>	<b>1,032,053</b>	<b>75,080</b>	<b>687,928</b>
<b><i>Non-cash transactions</i></b>				
Capitalisation of rental expense during construction of qualifying asset	1,330	-	-	-

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 2017 (Unaudited)**

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**Mega Lifesciences Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
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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 Audit Committee on 11 August 2017.

**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, joint venture and subsidiaries as at 30 June 2017 are given in notes 4, 7 and 8.

**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 2016) *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 2016. 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 2016.

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 2016 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2017.

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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**(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 2016.

**i. Measurement of fair values**

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 18 - financial instruments.



**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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**3 Acquisition of business**

On 30 November 2016, the Group obtained control of Bio-Life Marketing Sdn. Bhd., a company in Malaysia which engages in marketing of health related products, by acquiring 100% of the shares and voting interests in the company. Taking control of Bio-Life Marketing Sdn. Bhd. will enable the Group to strengthen its branded products business in South East Asia.

The following summarises the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

*Consideration transferred*

	Fair value (in thousand)
Cash	617,656
	<b>617,656</b>

*Identifiable assets acquired and liabilities assumed*

	Carrying amounts	Fair value adjustments (in thousand Baht)	Recognised values
Cash and cash equivalents	25,445	-	25,445
Trade accounts receivable	62,421	-	62,421
Other current receivables	1,392	-	1,392
Inventories	54,915	22,574	77,489
Advances to suppliers and distributors	1,051	-	1,051
Other current assets	1,340	-	1,340
Leasehold improvements and equipment	4,267	-	4,267
Intangible assets	292	279,456	279,748
Trade accounts payable	(5,816)	-	(5,816)
Other current payables	(8,785)	-	(8,785)
Income tax payable	(5,597)	-	(5,597)
Accrued expenses	(32,667)	-	(32,667)
Deferred tax liabilities	(89)	-	(89)
Total identifiable assets acquired and liabilities	<u>98,169</u>	<u>302,030</u>	<u>400,199</u>
Goodwill			<u>217,457</u>
<b>Consideration transferred</b>			<b><u>617,656</u></b>
Cash paid			617,656
Net cash acquired			<u>(25,445)</u>
<b>Net cash outflows</b>			<b><u>592,211</u></b>

At the date of original issuance of the consolidated financial statement for the year ended 31 December 2016, the fair value of business acquired had been provisionally assessed by management. Independent appraisal report determining the fair value was subsequently finalized. The purchase price allocation was completed in August 2017. The fair value of the business acquired was adjusted accordingly in the consolidated financial statements for the year ended 31 December 2016. The consolidated statements of financial position as at 31 December 2016 included in these interim financial statements have been restated to reflect the trademark and goodwill on the acquisition of Baht 343.3 million and Baht 153.6 million, as previously preliminarily assessed and reported, to Baht 279.5 million and Baht 217.5 million. Goodwill of Baht 215.7 million in the consolidated financial statements as at 30 June 2017 is different from goodwill recognized as at the acquisition date due to the translation of financial statements.

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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**4 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, a joint venture and subsidiaries are described in note 7 and 8. Relationships with key management and other related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
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.

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

<b>Transactions</b>	<b>Pricing policies</b>
Sale of goods and rendering of services	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 periods and six-month periods ended 30 June 2017 and 2016 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Three-month period ended 30 June</b>				
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sale of goods and rendering of services	-	-	350,872	313,228
Purchase of goods or receiving of services	-	-	18,833	12,464
Commission expense	-	-	4,471	10,821
Interest income	-	-	166	-
Other income	-	-	62	263
Advertising expenses	-	-	-	2,925
Support service expense	-	-	18,778	13,729

**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 2017 (Unaudited)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Three-month period ended 30 June</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	47,121	34,583	4,762	4,467
Post-employment benefits	317	297	205	191
Expenses for employee stock option plan	71	71	71	71
<b>Total key management personnel compensation</b>	<b>47,509</b>	<b>34,951</b>	<b>5,038</b>	<b>4,729</b>
<b>Directors' remuneration</b>	<b>1,860</b>	<b>1,860</b>	<b>1,860</b>	<b>1,860</b>
<b>Other related parties</b>				
Sale of goods	7,652	-	7,652	-
Purchase of goods or receiving of services	2,364	2,501	1,590	1,654
Business support charges	171	2,651	171	2,651
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Six-month period ended 30 June</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sale of goods and rendering of services	-	-	615,196	563,233
Purchase of goods or receiving of services	-	-	29,557	25,157
Commission expense	-	-	5,394	18,878
Interest income	-	-	316	-
Other income	-	-	130	832
Advertising expenses	-	-	2,232	7,490
Support service expense	-	-	31,798	26,971
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	83,646	64,100	8,668	8,431
Post-employment benefits	631	594	408	381
Expenses for employee stock option plan	143	143	143	143
<b>Total key management personnel Compensation</b>	<b>84,420</b>	<b>64,837</b>	<b>9,219</b>	<b>8,955</b>
<b>Directors' remuneration</b>	<b>3,720</b>	<b>3,720</b>	<b>3,720</b>	<b>3,720</b>
<b>Other related parties</b>				
Sale of goods	7,652	8,215	7,652	8,215
Purchase of goods or receiving of services	5,075	5,574	3,239	3,353
Business support charges	1,036	6,705	1,036	6,705

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
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Balances as at 30 June 2017 and 31 December 2016 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	529,387	555,379
Other related parties	16,641	36,463	16,641	36,463
<b>Total</b>	<b>16,641</b>	<b>36,463</b>	<b>546,028</b>	<b>591,842</b>

<i>Other current receivables - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	18,231	7,907
Other related parties	3,073	187	1,431	-
<b>Total</b>	<b>3,073</b>	<b>187</b>	<b>19,662</b>	<b>7,907</b>

<i>Loans to and interest receivable from related parties</i>	<b>Interest rate</b>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<i>Short-term loans</i>	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiaries	1.75	1.75	-	-	42,180	33,037
<b>Short-term loans to and interest receivable from related parties</b>			<b>-</b>	<b>-</b>	<b>42,180</b>	<b>33,037</b>

Movements during six-month period ended 30 June 2017 and 2016 of loans to related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
At 1 January	-	-	33,037	-
Increase	-	-	9,143	-
<b>At 30 June</b>	<b>-</b>	<b>-</b>	<b>42,180</b>	<b>-</b>

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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<i>Trade accounts payable - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30	31	30	31
	June	December	June	December
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	26,111	33,422
<b>Total</b>	<b>-</b>	<b>-</b>	<b>26,111</b>	<b>33,422</b>

<i>Other current payables - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30	31	30	31
	June	December	June	December
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	17,238	40,814
Other related parties	1,171	92	1,036	-
<b>Total</b>	<b>1,171</b>	<b>92</b>	<b>18,274</b>	<b>40,814</b>

***Significant agreements with related parties***

As at 30 June 2017, the Group had the following significant agreements with related parties.

***Loan agreements***

The Company entered into a loan agreement with a subsidiary in Thailand for an amount of Baht 22 million, with an interest rate which the Company pays to the bank in obtaining the loan and at the rate on fixed deposits in case of the Company's repayment to the bank in full.

The Company entered into a loan agreement with a subsidiary in Thailand for an amount of Baht 20 million, with an interest rate which the Company pays to the bank in obtaining the loan and at the rate on fixed deposits in case of the Company's repayment to the bank in full.

***Commission agreement***

The Company entered into a commission agreement with Mega Lifesciences (Australia) Pty. Limited, an indirect 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. By virtue of addendum dated 1 January 2017, the Company shall pay the commission at the rate of 12.5% of the sale value on a quarterly basis. This agreement 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.

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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*Support service agreement*

On 1 April 2015, the Company entered into a support service agreement with Mega Lifesciences Private Limited, an indirect 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.

**5 Current investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	673,834	650,938	656,844	650,938
<b>Total</b>	<b><u>673,834</u></b>	<b><u>650,938</u></b>	<b><u>656,844</u></b>	<b><u>650,938</u></b>

Current investments consisted of short-term deposits at financial institutions with maturity over 3 months and were denominated in Thai Baht and United States Dollars.

**6 Trade accounts receivable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		<i>(in thousand Baht)</i>			
Related parties	4	16,641	36,463	546,028	591,842
Other parties		2,124,414	2,225,508	601,423	500,895
<b>Total</b>		<b><u>2,141,055</u></b>	<b><u>2,261,971</u></b>	<b><u>1,147,451</u></b>	<b><u>1,092,737</u></b>
Less allowance for doubtful accounts		(33,911)	(28,939)	(19,934)	(18,908)
<b>Net</b>		<b><u>2,107,144</u></b>	<b><u>2,233,032</u></b>	<b><u>1,127,517</u></b>	<b><u>1,073,829</u></b>
Bad and doubtful debts expense for the six-month period ended 30 June		<b><u>5,685</u></b>	<b><u>2,310</u></b>	<b><u>1,040</u></b>	<b><u>790</u></b>

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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Aging analyses for trade accounts receivable are as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	30	31	30	31
	June	December	June	December
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Within credit terms	16,117	24,991	412,394	476,945
Overdue:				
Less than 3 months	-	-	51,141	25,221
3 - 6 months	-	2,577	14,883	32,285
6 - 12 months	-	4,200	39,813	52,523
Over 12 months	524	4,695	27,797	4,868
	<u>16,641</u>	<u>36,463</u>	<u>546,028</u>	<u>591,842</u>
<b>Other parties</b>				
Within credit terms	1,504,701	1,681,595	313,796	283,194
Overdue:				
Less than 3 months	509,622	463,718	228,185	180,996
3 - 6 months	73,016	37,290	43,337	14,400
6 - 12 months	8,679	14,077	-	5,875
Over 12 months	28,396	28,828	16,105	16,430
	<u>2,124,414</u>	<u>2,225,508</u>	<u>601,423</u>	<u>500,895</u>
<i>Less allowance for doubtful accounts</i>	<u>(33,911)</u>	<u>(28,939)</u>	<u>(19,934)</u>	<u>(18,908)</u>
	<u>2,090,503</u>	<u>2,196,569</u>	<u>581,489</u>	<u>481,987</u>
<b>Net</b>	<u>2,107,144</u>	<u>2,233,032</u>	<u>1,127,517</u>	<u>1,073,829</u>

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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**For the three-month and six-month periods ended 30 June 2017 (Unaudited)**

**7 Investments in associate and joint venture**

Investments in an associate and joint venture as at 30 June 2017 and 31 December 2016 were as follows:

		<b>Consolidated financial statements</b>								
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity	
			30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
			(%)				(in thousand Baht)			
<b>Indirect associate</b>										
Mega Product (Yemen) Limited	Distribution and marketing	Yemen	48.99	48.99	2,476	2,476	1,213	1,213	-	-
<b>Total</b>							<b>1,213</b>	<b>1,213</b>	<b>-</b>	<b>-</b>

The Group's indirect associate is not publicly listed and consequently does not have published price quotations.

The Group has not recognised losses relating to an investment in indirect associate accounted for using the equity method where its share of losses exceeds the carrying amount. As at 30 June 2017, the Group's cumulative share of unrecognised losses was Baht 4.8 million (31 December 2016: Baht 5.15 million), of which the Group's share of profits for the six-month period ended 30 June 2017 was Baht 0.07 million (30 June 2016: losses of Baht 1.69 million). The Group has no obligation in respect of accumulated losses.

		<b>Consolidated/Separate financial statements</b>								
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity	
			30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
			(%)				(in thousand Baht)			
<b>Joint venture</b>										
Mega Malee Company Limited	Branded products business	Thailand	51.00	51.00	10,000	10,000	5,100	5,100	4,424	4,918
<b>Total</b>							<b>5,100</b>	<b>5,100</b>	<b>4,424</b>	<b>4,918</b>

The Group's joint venture is not publicly listed and consequently does not have published price quotations.



**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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**8 Investments in subsidiaries**

	<b>Separate financial statements</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 January	718,929	71,574
Increase	5,887	11,900
<b>At 30 June</b>	<b><u>724,816</u></b>	<b><u>83,474</u></b>
<b>At 31 December</b>		<b><u>718,929</u></b>

***Employee stock option plan***

Additional investments in subsidiaries of Baht 5.9 million resulted from Employee Stock Option Plan granted to employees of the Company's subsidiaries during the six-month period ended 30 June 2017 (2016: Baht 6.8 million) (see note 12).

***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 LIMITED LIABILITY COMPANY "MEGA LIFESCIENCES", a direct subsidiary in Ukraine, in order to expand the business.

***Additional investment in indirect subsidiaries***

During the six-month period ended 30 June 2017, Mega Lifesciences PTY Limited (Thailand) made an additional investment of Baht 51.0 million in the issued and paid up capital of Maxxcare Limited, a direct subsidiary in Myanmar, in order to expand the business.

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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Investments in subsidiaries as at 30 June 2017 and 31 December 2016 and dividend income from those investments for the three-month periods ended 30 June 2017 and 2016 were as follows:

	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Dividend income	
			30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	30 June 2016
			(%)				<i>(in thousand Baht)</i>			
<b><i>Direct subsidiaries</i></b>										
Mega Lifesciences PTY Limited	Branded products and distribution business	Thailand	99.99	99.99	50,000	50,000	85,863	80,047	-	-
Natural Health Foods Limited	Branded products business	Thailand	99.99	99.99	5,000	5,000	4,996	4,996	-	-
Mega We Care Limited	Wellness center	Thailand	99.96	99.96	4,900	4,900	4,900	4,900	-	-
LIMITED LIABILITY COMPANY “MEGA LIFESCIENCES”	Branded products business	Ukraine	100.00	100.00	2,049	2,049	2,049	2,049	-	-
Mega Lifesciences Sdn.Bhd	Branded products business	Malaysia	97.89	97.89	643,781	643,781	627,008	626,937	-	-
<b>Total direct subsidiaries</b>							<b>724,816</b>	<b>718,929</b>	<b>-</b>	<b>-</b>
<b><i>Indirect subsidiaries (investment through Mega Lifesciences PTY Limited, Thailand)</i></b>										
Mega Lifesciences (Australia) Pty. Limited	Branded and OEM products business	Australia	99.99	99.99	468,294	468,294	469,796	469,552	-	-
Mega Lifesciences (Vietnam) Limited	Branded products and distribution business	Vietnam	99.99	99.99	107,959	107,959	110,961	110,474	-	-
PT Mega Lifesciences	Branded products business	Indonesia	98.99	98.99	15,163	15,163	15,012	15,012	-	-
Mega Lifesciences PTY Limited	Branded products and distribution business	Cambodia	99.99	99.99	15,281	15,281	17,488	17,130	-	-

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Dividend income	
			30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	30 June 2016
			(%)				(in thousand Baht)			
Mega Lifesciences Nigeria Limited	Branded products and distribution business	Nigeria	99.99	99.99	14,885	14,885	16,739	16,439	-	-
Mega Lifesciences Ghana Limited	Branded products business	Ghana	99.99	99.99	9,469	9,469	9,911	9,839	-	-
Mega Lifesciences Private Limited	Branded products business	India	99.99	99.99	4,777	4,777	6,543	6,257	-	-
Mega Lifesciences Limited	Distribution business	Myanmar	99.99	99.99	2,534	2,534	9,441	8,321	-	-
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	3,235	2,777	-	-
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	982	838	-	-
MAXXCARE Limited	Distribution business	Myanmar	100.00	100.00	218,826	167,856	218,826	167,856	-	-
							<b>879,589</b>	<b>825,150</b>	<b>-</b>	<b>-</b>
<b>Indirect subsidiaries (investment through Mega Lifesciences Sdn.Bhd)</b>										
Bio-Life Marketing Sdn. Bhd.	Branded products business	Malaysia	100.00	100.00	11,977	11,977	617,656	617,656	-	-
<b>Total indirect subsidiaries</b>							<b>1,497,245</b>	<b>1,442,806</b>	<b>-</b>	<b>-</b>

**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 2017 (Unaudited)**

**9 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2017 and 2016 were as follows:

<i>Six-month period ended 30 June</i>	<b>Consolidated financial statements</b>			
	2017	Disposals and transfers out - net book value	2016	Disposals and transfers out - net book value
	Acquisitions and transfers in - at cost		Acquisitions and transfers in - at cost	
		<i>(in thousand Baht)</i>		
Land	168	-	167,224	-
Building and building improvements	1,829	-	10,435	-
Leasehold improvements	1,058	245	945	-
Machinery and equipment	14,231	21	36,743	-
Furniture, fixtures and office equipment	13,740	(130)	11,104	12
Vehicles	8,685	113	1,189	221
Assets under construction	2,329	266	18,241	14,877
Exchange differences	(9,443)	-	(5,672)	-
<b>Total</b>	<b>32,597</b>	<b>515</b>	<b>240,209</b>	<b>15,110</b>

<i>Six-month period ended 30 June</i>	<b>Separate financial statements</b>			
	2017	Disposals and transfers out - net book value	2016	Disposals and transfers out - net book value
	Acquisitions and transfers in - at cost		Acquisitions and transfers in - at cost	
		<i>(in thousand Baht)</i>		
Land	-	-	167,224	-
Building and building improvements	446	-	9,536	-
Machinery and equipment	11,017	-	35,621	-
Furniture, fixtures and office equipment	1,301	-	2,772	-
Vehicles	-	-	420	-
Assets under construction	578	-	2,968	14,877
<b>Total</b>	<b>13,342</b>	<b>-</b>	<b>218,541</b>	<b>14,877</b>

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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**10 Deferred tax**

Deferred tax assets and liabilities as at 30 June 2017 and 31 December 2016 were as follows:

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	<i>(in thousand Baht)</i>			
Total	97,578	282,193	(39,480)	(194,984)
Set off of tax	(38,896)	(194,110)	38,896	194,110
<b>Net deferred tax assets (liabilities)</b>	<b>58,682</b>	<b>88,083</b>	<b>(584)</b>	<b>(874)</b>

  

	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	<i>(in thousand Baht)</i>			
Total	22,738	43,524	(2,798)	(10,553)
Set off of tax	(2,798)	(10,553)	2,798	10,553
<b>Net deferred tax assets</b>	<b>19,940</b>	<b>32,971</b>	<b>-</b>	<b>-</b>

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 2017 and 2016 were as follows:

	<b>Consolidated financial statements</b>			
	<b>At 1 January 2017</b>	<b>(Charged) / Credited to:</b>		<b>At 30 June 2017</b>
		<b>profit or loss (Note 15)</b>	<b>Exchange differences</b>	
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Accounts receivables	243,258	(176,340)	(32)	66,886
Provision for employee benefits	20,289	(5,499)	(26)	14,764
Loss carry forward	4,993	(993)	13	4,013
Others	13,653	(1,186)	(552)	11,915
<b>Total</b>	<b>282,193</b>	<b>(184,018)</b>	<b>(597)</b>	<b>97,578</b>
<b>Deferred tax liabilities</b>				
Inventories	193,875	(154,113)	-	39,762
Property, plant and equipment	1,109	(1,285)	(106)	(282)
<b>Total</b>	<b>194,984</b>	<b>(155,398)</b>	<b>(106)</b>	<b>39,480</b>
<b>Net</b>	<b>87,209</b>	<b>(28,620)</b>	<b>(491)</b>	<b>58,098</b>

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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	<b>Consolidated financial statements</b>			
	<b>At 1</b>	(Charged) /		<b>At 30</b>
	<b>January</b>	Credited to:	Exchange	<b>June</b>
	<b>2016</b>	profit or loss	differences	<b>2016</b>
		(Note 15)		
		(in thousand Baht)		
<b>Deferred tax assets</b>				
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
<b>Total</b>	<b>342,269</b>	<b>(22,755)</b>	<b>(4,502)</b>	<b>315,012</b>
<b>Deferred tax liabilities</b>				
Inventories	234,398	(25,833)	-	208,565
Property, plant and equipment	3,504	(1,100)	(741)	1,663
<b>Total</b>	<b>237,902</b>	<b>(26,933)</b>	<b>(741)</b>	<b>210,228</b>
<b>Net</b>	<b>104,367</b>	<b>4,178</b>	<b>(3,761)</b>	<b>104,784</b>
<b>Separate financial statements</b>				
		(Charged) /		
	<b>At 1</b>	Credited to :		<b>At 30</b>
	<b>January</b>	profit or loss		<b>June</b>
	<b>2017</b>	(Note 15)		<b>2017</b>
		(in thousand Baht)		
<b>Deferred tax assets</b>				
Accounts receivables		31,523	(18,912)	12,611
Provision for employee benefits		11,711	(2,076)	9,635
Others		290	202	492
<b>Total</b>		<b>43,524</b>	<b>(20,786)</b>	<b>22,738</b>
<b>Deferred tax liabilities</b>				
Inventories		10,553	(7,755)	2,798
<b>Total</b>		<b>10,553</b>	<b>(7,755)</b>	<b>2,798</b>
<b>Net</b>		<b>32,971</b>	<b>(13,031)</b>	<b>19,940</b>

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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	<b>Separate financial statements</b>		
	<b>At 1 January 2016</b>	(Charged) / Credited to : profit or loss (Note 15)	<b>At 30 June 2016</b>
	<i>(in thousand Baht)</i>		
<i><b>Deferred tax assets</b></i>			
Accounts receivables	45,730	(17,788)	27,942
Provision for employee benefits	10,548	411	10,959
Others	159	48	207
<b>Total</b>	<b><u>56,437</u></b>	<b><u>(17,329)</u></b>	<b><u>39,108</u></b>
<i><b>Deferred tax liabilities</b></i>			
Inventories	18,527	(9,578)	8,949
<b>Total</b>	<b><u>18,527</u></b>	<b><u>(9,578)</u></b>	<b><u>8,949</u></b>
<b>Net</b>	<b><u>37,910</u></b>	<b><u>(7,751)</u></b>	<b><u>30,159</u></b>

**11 Trade accounts payable**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		<i>(in thousand Baht)</i>			
Related parties	4	-	-	26,111	33,422
Other parties		1,441,047	1,518,603	199,247	159,823
<b>Total</b>		<b><u>1,441,047</u></b>	<b><u>1,518,603</u></b>	<b><u>225,358</u></b>	<b><u>193,245</u></b>

**12 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 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.

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Statement of financial position as at 30 June 2017/ 31 December 2016</i></b>				
Investments in subsidiaries	-	-	36,307	30,420
Warrants	(40,721)	(34,118)	(40,721)	(34,118)
<b><i>Statement of comprehensive income for the six-month periods ended 30 June</i></b>				
Administrative expenses	6,603	7,510	716	715



**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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**13 Corporate social responsibility reserve**

The shareholders 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.

**14 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 result is 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.

**Mega Lifesciences Public Company Limited and its Subsidiaries**  
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*Information about reportable segments:*

<i>Three-month period ended 30 June</i>	<b>Brand</b>		<b>Distribution</b>		<b>OEM</b>		<b>Total</b>	
	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>							
External revenue	1,318,676	1,125,077	959,277	854,903	117,452	101,773	2,395,405	2,081,753
Inter-segment revenue	(46,325)	(39,305)	46,325	39,305	-	-	-	-
Other income	2,255	2,157	1,043	1,574	89	93	3,387	3,824
Total segment revenue	<b>1,274,606</b>	<b>1,087,929</b>	<b>1,006,645</b>	<b>895,782</b>	<b>117,541</b>	<b>101,866</b>	<b>2,398,792</b>	<b>2,085,577</b>
Segment results before tax	<b>330,850</b>	<b>279,179</b>	<b>86,631</b>	<b>65,844</b>	<b>28,944</b>	<b>21,456</b>	<b>446,425</b>	<b>366,479</b>
	<i>(in thousand Baht)</i>							
<i>Six-month period ended 30 June</i>	<b>Brand</b>		<b>Distribution</b>		<b>OEM</b>		<b>Total</b>	
	2017	2016	2017	2016	2017	2016	2017	2016
External revenue	2,370,699	2,047,875	1,867,387	1,808,904	253,337	182,355	4,491,423	4,039,134
Inter-segment revenue	(85,999)	(74,798)	85,999	74,798	-	-	-	-
Other income	4,388	4,335	2,239	2,824	206	165	6,833	7,324
Total segment revenue	<b>2,289,088</b>	<b>1,977,412</b>	<b>1,955,625</b>	<b>1,886,526</b>	<b>253,543</b>	<b>182,520</b>	<b>4,498,256</b>	<b>4,046,458</b>
Segment results before tax	<b>496,981</b>	<b>418,875</b>	<b>179,369</b>	<b>180,545</b>	<b>68,850</b>	<b>29,328</b>	<b>745,200</b>	<b>628,748</b>
Segment assets as at 30 June/ 31 December	<b>2,937,180</b>	<b>2,851,280</b>	<b>1,922,232</b>	<b>1,895,431</b>	<b>225,080</b>	<b>204,110</b>	<b>5,084,492</b>	<b>4,950,281</b>

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*Reconciliation of reportable segment profit or loss and assets*

*Three-month period ended 30 June*

	2017	2016
	<i>(in thousand Baht)</i>	
<b>Profit or loss</b>		
Total profit for reportable segments	446,425	366,479
Unallocated amounts:		
Other corporate expenses	(66,785)	(47,082)
Depreciation and amortization	(37,577)	(37,064)
Finance costs	(6,697)	(4,462)
Investment income	4,304	4,092
Other income	942	670
Net foreign exchange loss	(17,491)	(35,408)
Share of loss from joint venture	(420)	-
Income tax expense	(32,065)	(29,187)
<b>Consolidated profit</b>	<b>290,636</b>	<b>218,038</b>

*Six-month period ended 30 June*

	2017	2016
	<i>(in thousand Baht)</i>	
<b>Profit or loss</b>		
Total profit for reportable segments	745,200	628,748
Unallocated amounts:		
Other corporate expenses	(113,930)	(97,913)
Depreciation and amortization	(76,917)	(74,535)
Finance costs	(13,957)	(7,908)
Investment income	8,469	7,670
Other income	2,648	1,009
Net foreign exchange gain (loss)	8,195	(61,952)
Share of loss from joint venture	(494)	-
Income tax expense	(76,832)	(63,007)
<b>Consolidated profit</b>	<b>482,382</b>	<b>332,112</b>

	30 June 2017	31 December 2016
	<i>(in thousand Baht)</i>	
<b>Assets</b>		
Total assets for reportable segments	5,084,492	4,950,821
Other unallocated amounts	3,138,045	2,990,152
<b>Consolidated total assets</b>	<b>8,222,537</b>	<b>7,940,973</b>

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**15 Income tax expense**

*Income tax recognised in profit or loss*

<i>Six-month period ended 30 June</i>	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
<b>Current tax expense</b>					
Current tax expense		49,775	67,477	4,614	13,149
Adjustment for prior years		(1,563)	(292)	150	355
		<b>48,212</b>	<b>67,185</b>	<b>4,764</b>	<b>13,504</b>
<b>Deferred tax expense</b>					
Movements in temporary differences	10	28,620	(4,178)	13,031	7,751
<b>Total income tax expense</b>		<b>76,832</b>	<b>63,007</b>	<b>17,795</b>	<b>21,255</b>

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 decline in value and temporary 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 comprehensive income subsequently at the moment the goods are sold to third parties outside the Group.

**16 Earnings per share**

*Basic earnings per share*

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2017 and 2016 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>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	290,646	218,076	199,707	161,625
Number of ordinary shares outstanding	865,249	865,249	865,249	865,249
<b>Earnings per share (basic) (in Baht)</b>	<b>0.34</b>	<b>0.25</b>	<b>0.23</b>	<b>0.19</b>

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
<i>Six-month period ended 30 June</i>	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	<u>482,368</u>	<u>332,048</u>	<u>327,899</u>	<u>247,089</u>
Number of ordinary shares outstanding	<u>865,249</u>	<u>865,249</u>	<u>865,249</u>	<u>865,249</u>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>0.56</u></b>	<b><u>0.38</u></b>	<b><u>0.38</u></b>	<b><u>0.29</u></b>

***Diluted earnings per share***

The calculations of diluted earnings per share for the three-month and six-month periods ended 30 June 2017 and 2016 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 after adjusting for the effects of all dilutive potential ordinary shares as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
<i>Three-month period ended 30 June</i>	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	<u>290,646</u>	<u>218,076</u>	<u>199,707</u>	<u>161,625</u>
Number of ordinary shares outstanding	<u>865,249</u>	<u>865,249</u>	<u>865,249</u>	<u>865,249</u>
Effects of exercise of share warrants	<u>1,769</u>	<u>1,769</u>	<u>1,769</u>	<u>1,769</u>
<b>Number of ordinary shares (diluted)</b>	<b><u>867,018</u></b>	<b><u>867,018</u></b>	<b><u>867,018</u></b>	<b><u>867,018</u></b>
<b>Earnings per share (diluted) (in Baht)</b>	<b><u>0.34</u></b>	<b><u>0.25</u></b>	<b><u>0.23</u></b>	<b><u>0.19</u></b>

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
<i>Six-month period ended 30 June</i>	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	<u>482,368</u>	<u>332,048</u>	<u>327,899</u>	<u>247,089</u>
Number of ordinary shares outstanding	<u>865,249</u>	<u>865,249</u>	<u>865,249</u>	<u>865,249</u>
Effects of exercise of share warrants	<u>1,769</u>	<u>1,769</u>	<u>1,769</u>	<u>1,769</u>
<b>Number of ordinary shares (diluted)</b>	<b><u>867,018</u></b>	<b><u>867,018</u></b>	<b><u>867,018</u></b>	<b><u>867,018</u></b>
<b>Earnings per share (diluted) (in Baht)</b>	<b><u>0.56</u></b>	<b><u>0.37</u></b>	<b><u>0.38</u></b>	<b><u>0.28</u></b>

**17 Dividends**

At the annual general meeting of the shareholders of the Company held on 11 April 2017, 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 2017.

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.

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**18 Financial instruments**

*Carrying amounts and fair values*

The following table shows the carrying amounts and level 2 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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Carrying amount	Fair value	Carrying amount	Fair value
	<i>(in thousand Baht)</i>			
<b>30 June 2017</b>				
Finance lease liabilities	10,664	10,198	-	-
<b>31 December 2016</b>				
Finance lease liabilities	15,549	14,905	-	-

**Measurement of fair values**

*Valuation techniques and significant unobservable inputs*

The following tables show the valuation techniques used in measuring Level 2 fair values at 30 June 2017 and 31 December 2016 for financial instruments measured at fair value.

<b>Type</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Finance lease liabilities	<i>Discounted cash flows:</i> The valuation model considers the present value of payment, discounted using a risk-adjusted discount rate.	Not applicable.	Not applicable.

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**19 Commitments and contingent liabilities with non-related parties**

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30	31	30	31
	June	December	June	December
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Capital commitments</i></b>				
Contracted but not provided for:				
Land	47,040	47,040	47,040	47,040
Buildings and machineries	299,142	19,348	36,160	17,324
<b>Total</b>	<b>346,182</b>	<b>66,388</b>	<b>83,200</b>	<b>64,364</b>
<b><i>Future minimum lease payment under non-cancellable operating lease</i></b>				
Within one year	31,851	37,409	5,897	5,897
After one year but within five years	10,368	9,289	1,474	4,554
<b>Total</b>	<b>42,219</b>	<b>46,698</b>	<b>7,371</b>	<b>10,451</b>
<b><i>Other commitments</i></b>				
Purchase orders for goods and supplies	57,420	7,160	57,420	7,160
Bank guarantees	252,156	295,145	252,156	265,142
<b>Total</b>	<b>309,576</b>	<b>302,305</b>	<b>309,576</b>	<b>272,302</b>

***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 2017, 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 1,527 million and U.S. Dollars 11 million (31 December 2016: Baht 1,527 million and U.S. Dollars 11 million).