

NANOPAC INNOVATION LIMITED

Company No.: (ARBN 169020580)
(Incorporated in Samoa)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE 6-MONTH FINANCIAL PERIOD ENDED
30 JUNE 2020**



Assurance and Advisory Business Services

HALF YEAR REPORT

NANOPAC INNOVATION LIMITED

(ARBN 169020580)
(Incorporated in Samoa)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE 6-MONTH FINANCIAL PERIOD ENDED
30 JUNE 2020**

2020

CONTENTS

1	Corporate information
2	Statement by directors
3 - 4	Independent auditors' report to the members
FINANCIAL STATEMENTS	
5 - 6	Consolidated statements of financial position
7 - 8	Consolidated statements of comprehensive income
9	Consolidated statements of changes in equity
10	Statement of changes in equity
11	Consolidated statements of cash flows
12 - 20	Notes to the interim financial statements

CORPORATE INFORMATION

Board of directors	: Dato' Dr. Cheng Kok Leong Nazrulishah Bin Md Yusop (<i>Board member w.e.f. 1.7.2020</i>) Ho Chin Woi (<i>Board member w.e.f. 30.5.2016; Resigned w.e.f. 30.6.2020</i>)
Company secretaries	: Andrew Bristow - Australia Westco Secretaries Ltd - Samoa
Registered office - Samoa	: c/o- Asiaciti Trust Samoa Ltd 2nd Floor, Building B SNPF Plaza Saulino Apia Samoa
Registered office - Australia	: c/o- Highgate Corporate Advisors Pty Ltd 31 Highgate Cct Kellyville NSW 2155 Mob: 0403192 230
Auditors	: ACT Partners (AF: 001842) (Chartered Accountants) Wisma Chew & Co. No. 39, Jalan Kenari 17C Bandar Puchong Jaya 47100 Puchong Selangor
Nominated Advisors	: Highgate Corporate Advisors Pty Ltd 31 Highgate Cct Kellyville Nsw 2155 Mob: 0403192 230
CDI/Share Registry	: Boardroom Pty Limited Level 12,225 George Street Sydney Nsw 2000

STATEMENT BY DIRECTORS

We, *Dato' Dr. Cheng Kok Leong* and *Nazrulishah Bin Md Yusop*, being the directors of **Nanopac Innovation Limited**, do hereby state that the accompanying financial statements are drawn up in accordance with International Financial Reporting Standards ("IFRS") and IAS 34: Interim Financial Reporting so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of their financial performance and cash flows for the 6-month financial period ended on that date.

Signed by the Board
in accordance with a resolution of the directors



Dato' Dr. Cheng Kok Leong
Director



Nazrulishah Bin Md Yusop
Director

Selangor Darul Ehsan, Malaysia

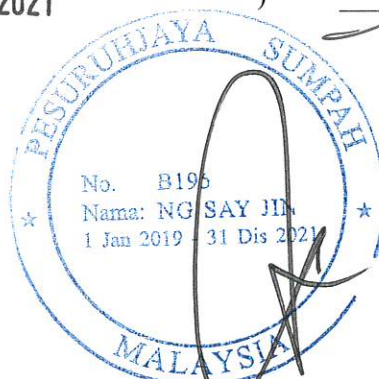
Dated: **30 DEC 2021**

STATUTORY DECLARATION

I, *Dato' Dr. Cheng Kok Leong* being the director primarily responsible for the financial management of **Nanopac Innovation Limited**, do solemnly and sincerely declare that the accompanying financial statements for the 6-month financial period 30 June 2020 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared
by the above named at Puchong
in the state of Selangor Darul Ehsan
on this day of **30 DEC 2021**

Before me:



No. C-2-45, IOI Boulevard
Jalan Kenari 5
Bandar Puchong Jaya
47170 Puchong, Selangor



Dato' Dr. Cheng Kok Leong
Director



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NANOPAC INNOVATION LIMITED

We have reviewed the accompanying condensed consolidated statement of financial position of **Nanopac Innovation Limited** as at 30 June 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the Company for the 6-month financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 20.

Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards ("IFRS") and IAS 34: Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standards 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 International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NANOPAC INNOVATION LIMITED (Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Company as at 30 June 2020, and of the financial performance and cash flows of the Company for the 6-month financial period then ended, in accordance with International Financial Reporting Standards ("IFRS") and IAS 34: Interim Financial Reporting.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with NSX Listing Rules 6.10 of Section IIA and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ACT Partners
AF: 001842
Chartered Accountants

Chew Por Yan
01830/05/2023(J)
Chartered Accountant

Selangor Darul Ehsan, Malaysia

Dated: **30 DEC 2021**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2020

		Group		Company	
	Note	As at 30.6.2020 USD	As at 31.12.2019 USD	As at 30.6.2020 USD	As at 31.12.2019 USD
Assets					
Non-current assets					
Property, plant and equipment	12	1,036,240	1,143,381	-	-
Investment properties		587,262	611,867	-	-
Intangible assets		198,520	206,838	-	-
Right-of-use assets		53,101	55,327	-	-
Goodwill	13	1,790,848	1,790,848	-	-
Investments in subsidiaries	14	-	-	3,338,848	3,338,848
Total non-current assets		<u>3,665,971</u>	<u>3,808,261</u>	<u>3,338,848</u>	<u>3,338,848</u>
Current assets					
Inventories		-	96,255	-	-
Trade receivables		128,568	16,256	-	-
Other receivables		3,011,506	2,960,969	2,937,976	2,913,931
Amount due from subsidiaries		-	-	1,133,081	1,195,609
Amount due by associates		14,403	12,800	-	-
Current tax assets		3,503	3,163	-	-
Cash and cash equivalents		313,224	334,197	-	-
Total current assets		<u>3,471,204</u>	<u>3,423,640</u>	<u>4,071,057</u>	<u>4,109,540</u>
Total assets		<u><u>7,137,175</u></u>	<u><u>7,231,901</u></u>	<u><u>7,409,905</u></u>	<u><u>7,448,388</u></u>
Equity and liabilities					
Capital and reserves					
Share capital	15	7,193,190	7,193,190	7,193,190	7,193,190
Reserve		(18,677)	(46,530)	-	-
Accumulated losses		(1,995,693)	(1,918,343)	216,715	255,198
Equity attributable to owners of the Company		<u>5,178,820</u>	<u>5,228,317</u>	<u>7,409,905</u>	<u>7,448,388</u>
Non-controlling interests		(70,122)	(83,948)	-	-
Total equity		<u>5,108,698</u>	<u>5,144,369</u>	<u>7,409,905</u>	<u>7,448,388</u>
Non-current liabilities					
Bank borrowings	16	362,177	381,605	-	-
Total non-current liabilities		<u>362,177</u>	<u>381,605</u>	<u>-</u>	<u>-</u>

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	Group		Company	
		As at 30.6.2020 USD	As at 31.12.2019 USD	As at 30.6.2020 USD	As at 31.12.2019 USD
Current liabilities					
Trade payables		109,701	73,516	-	-
Other payables		1,225,372	1,330,013	-	-
Amount due to Directors		292,439	264,398	-	-
Bank borrowings	16	38,788	38,000	-	-
Provision for taxation		-	-	-	-
Total current liabilities		<u>1,666,300</u>	<u>1,705,927</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>2,028,477</u>	<u>2,087,532</u>	<u>-</u>	<u>-</u>
Total equity and liabilities		<u><u>7,137,175</u></u>	<u><u>7,231,901</u></u>	<u><u>7,409,905</u></u>	<u><u>7,448,388</u></u>

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2020

	Note	Group		Company	
		1.1.2020 to 30.6.2020 USD	1.1.2019 to 30.6.2019 USD	1.1.2020 to 30.6.2020 USD	1.1.2019 to 30.6.2019 USD
Revenue		475,527	1,315,337	-	-
Cost of sales		<u>(362,035)</u>	<u>(1,287,527)</u>	<u>-</u>	<u>-</u>
Gross profit		113,492	27,810	-	-
Other operating income		9,539	22,080	-	-
Administration expenses		(114,116)	(274,750)	(38,483)	(48,105)
Selling and marketing expenses		(594)	(33,451)	-	-
Other operating expenses		<u>(67,876)</u>	<u>(232,061)</u>	<u>-</u>	<u>-</u>
Operating loss		(59,555)	(490,372)	(38,483)	(48,105)
Finance costs		<u>(7,145)</u>	<u>(25,104)</u>	<u>-</u>	<u>-</u>
Loss before taxation		(66,700)	(515,476)	(38,483)	(48,105)
Income tax expense		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the financial period, net of tax		(66,700)	(515,476)	(38,483)	(48,105)
<u>Other comprehensive gain/(loss)</u>					
Foreign currency translation differences		<u>31,029</u>	<u>(217)</u>	<u>-</u>	<u>-</u>
Total comprehensive expenses for the financial period		<u><u>(35,671)</u></u>	<u><u>(515,693)</u></u>	<u><u>(38,483)</u></u>	<u><u>(48,105)</u></u>

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2020

	Note	Group		Company	
		1.1.2020 to 30.6.2020 USD	1.1.2019 to 30.6.2019 USD	1.1.2020 to 30.6.2020 USD	1.1.2019 to 30.6.2019 USD
Net loss attributable to:					
Non-controlling interests		10,650	(144,492)	-	-
Owners of the Company		<u>(77,350)</u>	<u>(370,984)</u>	<u>(38,483)</u>	<u>(48,105)</u>
Loss for the financial period		<u>(66,700)</u>	<u>(515,476)</u>	<u>(38,483)</u>	<u>(48,105)</u>
Total comprehensive attributable to:					
Non-controlling interests		13,826	(143,826)	-	-
Owners of the Company		<u>(49,497)</u>	<u>(371,867)</u>	<u>(38,483)</u>	<u>(48,105)</u>
Total comprehensive expenses for the financial period		<u>(35,671)</u>	<u>(515,693)</u>	<u>(38,483)</u>	<u>(48,105)</u>
Loss Per Share					
Basic loss per share (cents)	18	(0.05)	(0.65)	-	-
Diluted loss per share (cents)	18	<u>(0.05)</u>	<u>(0.65)</u>	<u>-</u>	<u>-</u>

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2020

The Group	Contributed share capital USD	Exchange translation reserve USD	Accumulated losses USD	Sub-total USD	Non- controlling interests USD	Total equity USD
As at 1 January 2019	7,193,190	(44,487)	(1,017,198)	6,131,505	194,683	6,326,188
Loss for the financial year, net of tax	-	-	(370,984)	(370,984)	(144,492)	(515,476)
Other comprehensive loss for the financial period	-	(883)	-	(883)	666	(217)
Total comprehensive loss for the financial period	-	(883)	(370,984)	(371,867)	(143,826)	(515,693)
As at 30 June 2019/ 1 July 2019	7,193,190	(45,370)	(1,388,182)	5,759,638	50,857	5,810,495
Loss for the financial year, net of tax	-	-	(530,161)	(530,161)	(243,116)	(773,277)
Other comprehensive loss for the financial period	-	(1,160)	-	(1,160)	(423)	(1,583)
Total comprehensive loss for the financial period	-	(1,160)	(530,161)	(531,321)	(243,539)	(774,860)
Elimination of non-controlling interest at disposal of subsidiary	-	-	-	-	108,734	108,734
As at 31 December 2019/ 1 January 2020	7,193,190	(46,530)	(1,918,343)	5,228,317	(83,948)	5,144,369
Loss for the financial year, net of tax	-	-	(77,350)	(77,350)	10,650	(66,700)
Other comprehensive loss for the financial period	-	27,853	-	27,853	3,176	31,029
Total comprehensive loss for the financial period	-	27,853	(77,350)	(49,497)	13,826	(35,671)
As at 30 June 2020	<u>7,193,190</u>	<u>(18,677)</u>	<u>(1,995,693)</u>	<u>5,178,820</u>	<u>(70,122)</u>	<u>5,108,698</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2020

	Contributed share Capital USD	Accumulated losses USD	Total equity USD
The Company			
As at 1 January 2019	7,193,190	301,554	7,494,744
Total comprehensive loss for the financial period	-	(48,105)	(48,105)
As at 30 June 2019/ 1 July 2019	7,193,190	253,449	7,446,639
Total comprehensive income for the financial period		1,749	1,749
As at 31 December 2019/ 1 January 2020	7,193,190	255,198	7,448,388
Total comprehensive loss for the financial period		(38,483)	(38,483)
As at 30 June 2020	7,193,190	216,715	7,409,905

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

STATEMENTS OF CASH FLOWS**FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2020**

	The Group	
	1.1.2020	1.1.2019
	to	to
	30.6.2020	30.6.2019
	USD	USD
Cash flows from operating activities		
Cash generated from/(used in) operations	12,350	(462,105)
Finance cost paid	(7,145)	(25,104)
Net cash generated from/(used in) operating activities	<u>5,205</u>	<u>(487,209)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(393)	(4,969)
Net cash used in investing activities	<u>(393)</u>	<u>(4,969)</u>
Cash flows from financing activities		
Repayment of borrowings	(25,785)	(37,070)
Net cash used in financing activities	<u>(25,785)</u>	<u>(37,070)</u>
Net decrease in cash and cash equivalents	(20,973)	(529,248)
Cash and cash equivalents brought forward	<u>334,197</u>	<u>350,289</u>
Cash and cash equivalents carried forward	<u><u>313,224</u></u>	<u><u>(178,959)</u></u>
Represented by:		
Bank overdraft	-	(653,216)
Cash and bank balances	<u>313,224</u>	<u>474,257</u>
Cash and cash equivalents	<u><u>313,224</u></u>	<u><u>(178,959)</u></u>

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2020

1. GENERAL INFORMATION

The Company is a public limited company incorporated, and domiciled in Samoa.

2. PRINCIPAL ACTIVITY

The Company is principally engaged in the business of investment holding.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The interim condensed financial statements of the Group and the Company are unaudited and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IAS 34: Interim Financial Reporting. The interim financial statements do not include all the information and disclosures required in the annual financial statements.

The notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial statements of the Group and the Company during the financial period ended 30 June 2020.

(b) Changes in accounting policies

The same accounting policies and methods of recognition and measurement have been followed in the interim financial statements as were applied in the most recent financial statements of the Group and the Company.

The Directors anticipate that the adoption of the new or amended accounting standards are not expected to be relevant or have material impact on the financial statements of the Group and the Company in the period of initial application.

4. SEASONALITY OF OPERATIONS

The business and operations of the Group was not materially affected by any seasonal or cyclical fluctuations during the interim financial period.

5. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 31 December 2020.

6. CHANGE IN ESTIMATES

There were no changes in the basis used for accounting estimates for the interim financial period.

7. DEBT AND EQUITY SECURITIES

There was no issuance, repurchase and repayment of debt and equity securities by the Company during the interim financial period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2020

8. DEBT AND EQUITY SECURITIES

There was no issuance, repurchase and repayment of debt and equity securities by the Company during the interim financial period.

9. DIVIDENDS

There was no dividend payment during the financial period.

10. EVENT SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There is no material event subsequent to the end of the interim reporting period that has not been reported in the interim condensed financial statements.

11. CHANGES IN THE COMPOSITION OF THE COMPANY

There is no change in the composition of the Company during the interim financial period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2020

12. PROPERTY, PLANT AND EQUIPMENT

Group	ECR self-toilet system USD	Freehold land USD	Furniture, fittings and equipment USD	Leasehold land and factory building USD	Machineries USD	Motor vehicles USD	Renovation and signboard USD	Simulator system USD	Total USD
<i>Cost</i>									
At 1 January 2019	58,183	605,385	310,270	1,892,283	84,764	278,235	294,861	336,432	3,860,413
Reclassification	-	(611,867)	(162,929)	(1,060,178)	-	(109,358)	(41,180)	-	(1,985,512)
Addition	-	-	3,316	-	-	-	1,786	-	5,102
Exchange differences	622	6,482	3,322	20,261	907	2,979	3,157	3,603	41,333
Written-off	-	-	(11,392)	-	(4,352)	-	(2,993)	-	(18,737)
At 31 December 2019	58,805	-	142,587	852,366	81,319	171,856	255,631	340,035	1,902,599
At 1 January 2020	58,805	-	142,587	852,366	81,319	171,856	255,631	340,035	1,902,599
Addition	-	-	393	-	-	-	-	-	393
Exchange differences	(2,365)	-	(5,741)	(34,276)	(3,270)	(6,911)	(10,280)	(13,674)	(76,517)
At 30 June 2020	56,440	-	137,239	818,090	78,049	164,945	245,351	326,361	1,826,475

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2020

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group	ECR self-toilet system USD	Freehold land USD	Furniture, fittings and equipment USD	Leasehold land and factory building USD	Machineries USD	Motor vehicles USD	Renovation and signboard USD	Simulator system USD	Total USD
<i>Accumulated depreciation</i>									
At 1 January 2019	34,910	-	178,646	103,609	79,473	257,022	156,800	67,287	877,747
Reclassification	-	-	(162,929)	(66,813)	-	(88,216)	(41,179)	-	(359,137)
Addition	11,728	-	55,595	31,659	2,515	156	59,123	33,909	194,685
Impairment loss	-	-	35,669	-	-	156	18,753	-	54,578
Exchange differences	406	-	2,169	1,197	859	2,738	1,897	815	10,081
Written-off	-	-	(11,391)	-	(4,352)	-	(2,993)	-	(18,736)
At 31 December 2019	47,044	-	97,759	69,652	78,495	171,856	192,401	102,011	759,218
At 1 January 2020	47,044	-	97,759	69,652	78,495	171,856	192,401	102,011	759,218
Additions	5,752	-	13,912	6,813	460	-	19,157	16,629	62,723
Exchange differences	(2,000)	-	(4,191)	(2,929)	(3,165)	(6,911)	(8,096)	(4,414)	(31,706)
At 30 June 2020	50,796	-	107,480	73,536	75,790	164,945	203,462	114,226	790,235
<i>Net book value</i>									
At 30 June 2020	5,644	-	29,759	744,554	2,259	-	41,889	212,135	1,036,240
At 31 December 2019	11,761	-	44,828	782,714	2,824	-	63,230	238,024	1,143,381

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2020

13. GOODWILL ON CONSOLIDATION

	Group	
	As at 30.6.2020 USD	As at 31.12.2019 USD
At cost:		
At beginning of the financial period/year	1,790,848	1,938,848
Impairment recognised	-	(148,000)
At end of the financial period/year	<u>1,790,848</u>	<u>1,790,848</u>

14. INVESTMENT IN SUBSIDIARIES

	Company	
	As at 30.6.2020 USD	As at 31.12.2019 USD
Unquoted shares, at cost	<u>3,338,848</u>	<u>3,338,848</u>

Details of the subsidiaries are as follows:

Name of indirect subsidiaries	Principal place of business	Effective equity interest		Principal activities
		As at 30.6.2020 %	As at 31.12.2019 %	
<i>Held by the Company</i>				
Nanopac (M) Sdn. Bhd.	Malaysia	100	100	- Investment holding - Production and distribution of Nano products
<i>Held through Nanopac (M) Sdn. Bhd.</i>				
Nanopac Innovation Limited *	Seychelles	51	51	- Production and distribution of Nano products
Nanopac Innovation (M) Sdn. Bhd.	Malaysia	60	60	- Dormant
Nanotextile Sdn. Bhd.	Malaysia	60	60	- Developing and promoting nanotechnology based products

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2020

15. SHARE CAPITAL

	Group/Company			
	As at 30.6.2020	As at 30.6.2020	As at 31.12.2019	As at 31.12.2019
	No. of shares	Monetary value USD	No. of shares	Monetary value USD
Issued and fully paid				
Ordinary shares	58,816,917	6,993,190	58,816,917	6,993,190
“A” Converting shares	<u>20,000,000</u>	<u>200,000</u>	<u>20,000,000</u>	<u>200,000</u>
Total	<u>78,816,917</u>	<u>7,193,190</u>	<u>78,816,917</u>	<u>7,193,190</u>

Ordinary shares

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

“A” Converting Shares

The “A” Converting Shares are convertible automatically into ordinary shares once the Company has raised additional capital in excess of US\$10,000,000 provided the holder will not hold more than 75% of the issued ordinary shares. These shares otherwise rank pari passu with ordinary shares. No further “A” Converting Shares may be issued.

Par Value

All shares have a par value of US\$0.01. The Company has an authorised capital of US\$14,000,001.

16. BANK BORROWINGS

	Group	
	As at 30.6.2020	As at 31.12.2019
	USD	USD
<u>Current</u>		
Term loans (Secured)	18,779	17,153
Lease liabilities (Note 17)	<u>20,009</u>	<u>20,847</u>
	<u>38,788</u>	<u>38,000</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2020

16. BANK BORROWINGS (Continued)

	Group	
	As at 30.6.2020 USD	As at 31.12.2019 USD
<u>Non-current</u>		
Term loans (Secured)	325,982	342,828
Lease liabilities (Note 17)	36,195	38,777
	<u>362,177</u>	<u>381,605</u>
<u>Total borrowings</u>		
Term loans (Secured)	344,761	359,981
Lease liabilities (Note 17)	56,204	59,624
	<u>400,965</u>	<u>419,605</u>

Maturities of borrowings (excluding finance lease liabilities):

	Group	
	As at 30.6.2020 USD	As at 31.12.2019 USD
Within one year	18,779	17,153
More than 1 year and less than 2 years	20,417	17,843
More than 2 years and less than 5 years	63,101	57,948
More than 5 years	242,464	267,037
	<u>344,761</u>	<u>359,981</u>

The effective interest rates at reporting date for the above borrowing were as follows:

	Group	
	As at 30.6.2020 USD	As at 31.12.2019 USD
Term loans	4.02%	4.02%
Lease liabilities	<u>4.78%</u>	<u>4.78%</u>

The above bank borrowings were secured by way of:

- (i) Leasehold land and buildings of the Group;
- (ii) Joint and several guarantees by certain directors of the Group; and
- (iii) Corporate guarantee given by the subsidiary Companies.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2020

17. LEASE LIABILITIES

	Group	
	As at 30.6.2020 USD	As at 31.12.2019 USD
At beginning of the financial period/year	59,624	-
Acquired of subsidiary	-	22,472
Addition	-	57,029
Repayment of principal	(1,447)	(23,244)
Interest expenses recognised in profit or loss	424	3,367
Translation adjustments	(2,397)	-
	<u>56,204</u>	<u>59,624</u>
At end of the financial period/year	<u>56,204</u>	<u>59,624</u>
<u>Current</u>		
Within 1 year	20,009	20,847
<u>Non-current</u>		
More than 1 year and less than 5 years	36,195	38,422
More than 5 years	-	355
	<u>56,204</u>	<u>59,624</u>

18. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the financial period attributable to ordinary equity holders of the Group by the number of ordinary shares in issue during the financial period.

	Group	
	1.1.2020 to 30.6.2020 USD	1.1.2019 to 30.6.2019 USD
Loss attributable to ordinary equity holder	(35,671)	(515,693)
Number of ordinary shares in issue during the financial period	78,816,917	78,816,917
Basic earnings per share	<u>(0.05)</u>	<u>(0.65)</u>

There were no dilutive potential ordinary shares as at the reporting date. There have been no other transactions involving ordinary shares between the reporting date and the date of completion of the financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2020

19. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personal and entities within the same group of Companies.

(b) Significant related party transactions and balances

There are no related party's transaction in the financial period.

20. SIGNIFICANT EVENT AFTER REPORTING DATE

The wide spread of the Covid-19 since the beginning of 2020 is a fluid and challenging situation faced by all industries. The Group and the Company unable to reasonably estimate the financial impact of Covid-19 for the financial period ending 30 June 2020 to be disclosed in the financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. It is however certain that the local and worldwide measures against the spread of the Covid-19 will have adverse effects on the Group's and the Company's sales, operations and supply chains. The Group and the Company will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Group and the Company will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Group's and the Company's operations.

21. CONTINGENCIES AND COMMITMENTS

The Group and the Company had neither contingent liabilities/assets nor any financial commitments as at 30 June 2020.