

**NANOPAC INNOVATION LIMITED**

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

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE 6-MONTH FINANCIAL PERIOD ENDED  
30 JUNE 2021**



# HALF YEAR REPORT

## **NANOPAC INNOVATION LIMITED**

(ARBN 169020580)  
(Incorporated in Samoa)

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE 6-MONTH FINANCIAL PERIOD ENDED  
30 JUNE 2021**

**2021**

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## CORPORATE INFORMATION

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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 Saualino 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 2021 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

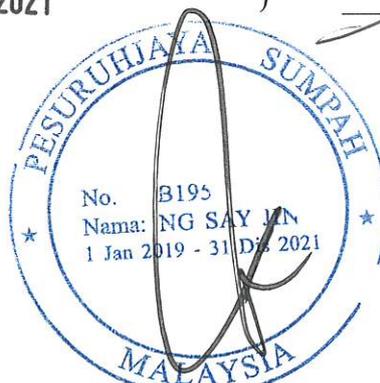
I, *Dato' Dr. Cheng Kok Leong* being the director primarily responsible for the financial management of **Nanopac Innovation Limited**, do solemnly and sincerely declare that the accompanying financial statements for the 6-month financial period 30 June 2021 are, to the best of my knowledge and belief, 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:



Dato' Dr. Cheng Kok Leong  
Director



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



## **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 2021, 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 2021, 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.

A handwritten signature in black ink that reads 'ACT Partners'.

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ACT Partners  
AF: 001842  
Chartered Accountants

A handwritten signature in black ink that reads 'Chew Por Yan'.

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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 2021

	Note	Group		Company	
		As at 30.6.2021 USD	As at 31.12.2020 USD	As at 30.6.2021 USD	As at 31.12.2020 USD
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	964,142	1,036,045	-	-
Investment properties		605,624	623,456	-	-
Intangible assets		126,449	157,034	-	-
Right-of-use assets		20,747	33,113	-	-
Goodwill	13	1,663,848	1,663,848	-	-
Investments in subsidiaries	14	-	-	3,338,848	3,338,848
<b>Total non-current assets</b>		<u>3,380,810</u>	<u>3,513,496</u>	<u>3,338,848</u>	<u>3,338,848</u>
<b>Current assets</b>					
Inventories		109,391	151,425	-	-
Trade receivables		143,154	142,083	-	-
Other receivables		3,043,135	2,897,794	2,876,613	2,747,991
Amount due from subsidiaries		-	-	1,172,083	1,315,185
Amount due from Directors		282,930	-	-	-
Amount due by associates		6,754	4,839	-	-
Current tax assets		6,503	5,455	-	-
Cash and cash equivalents		234,546	226,603	-	-
<b>Total current assets</b>		<u>3,826,413</u>	<u>3,428,199</u>	<u>4,048,696</u>	<u>4,063,176</u>
<b>Total assets</b>		<u><u>7,207,223</u></u>	<u><u>6,941,695</u></u>	<u><u>7,387,544</u></u>	<u><u>7,402,024</u></u>
<b>Equity and liabilities</b>					
<b>Capital and reserves</b>					
Share capital	15	7,193,190	7,193,190	7,193,190	7,193,190
Reserve		(39,790)	(60,887)	-	-
Accumulated losses		(2,177,406)	(2,144,527)	194,354	208,834
<b>Equity attributable to owners of the Company</b>		<u>4,975,994</u>	<u>4,987,776</u>	<u>7,387,544</u>	<u>7,402,024</u>
Non-controlling interests		504,424	(105,243)	-	-
<b>Total equity</b>		<u>5,480,418</u>	<u>4,882,533</u>	<u>7,387,544</u>	<u>7,402,024</u>
<b>Non-current liabilities</b>					
Bank borrowings	16	269,683	364,410	-	-
<b>Total non-current liabilities</b>		<u>269,683</u>	<u>364,410</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 2021

	Note	Group		Company	
		As at 30.6.2021 USD	As at 31.12.2020 USD	As at 30.6.2021 USD	As at 31.12.2020 USD
<b>Current liabilities</b>					
Trade payables		85,283	102,078	-	-
Other payables		1,132,201	1,193,967	-	-
Amount due to Directors		129,391	350,748	-	-
Bank borrowings	16	104,908	42,462	-	-
Provision for taxation		5,339	5,497	-	-
<b>Total current liabilities</b>		<u>1,457,122</u>	<u>1,694,752</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>1,726,805</u>	<u>2,059,162</u>	<u>-</u>	<u>-</u>
<b>Total equity and liabilities</b>		<u>7,207,223</u>	<u>6,941,695</u>	<u>7,387,544</u>	<u>7,402,024</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 2021

	Group		Company	
	1.1.2021 to 30.6.2021 USD	1.1.2020 to 30.6.2020 USD	1.1.2021 to 30.6.2021 USD	1.1.2020 to 30.6.2020 USD
Revenue	390,615	475,527	-	-
Cost of sales	<u>(223,616)</u>	<u>(362,035)</u>	<u>-</u>	<u>-</u>
<b>Gross profit</b>	166,999	113,492	-	-
Other operating income	114	9,539	-	-
Administration expenses	(98,390)	(114,116)	(14,480)	(38,483)
Selling and marketing expenses	(2,516)	(594)	-	-
Other operating expenses	<u>(92,210)</u>	<u>(67,876)</u>	<u>-</u>	<u>-</u>
<b>Operating loss</b>	(26,003)	(59,555)	(14,480)	(38,483)
Finance costs	<u>(6,876)</u>	<u>(7,145)</u>	<u>-</u>	<u>-</u>
<b>Loss before taxation</b>	(32,879)	(66,700)	(14,480)	(38,483)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Loss for the financial period, net of tax</b>	(32,879)	(66,700)	(14,480)	(38,483)
<u>Other comprehensive loss</u>				
Foreign currency translation differences	<u>23,491</u>	<u>31,029</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive expenses for the financial period</b>	<u><u>(9,388)</u></u>	<u><u>(35,671)</u></u>	<u><u>(14,480)</u></u>	<u><u>(38,483)</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 2021

	Note	Group		Company	
		1.1.2021 to 30.6.2021 USD	1.1.2020 to 30.6.2020 USD	1.1.2021 to 30.6.2021 USD	1.1.2020 to 30.6.2020 USD
<b>Net loss attributable to:</b>					
Non-controlling interests		(264)	10,650	-	-
Owners of the Company		<u>(32,615)</u>	<u>(77,350)</u>	<u>(14,480)</u>	<u>(38,483)</u>
<b>Loss for the financial period</b>		<u>(32,879)</u>	<u>(66,700)</u>	<u>(14,480)</u>	<u>(38,483)</u>
<b>Total comprehensive attributable to:</b>					
Non-controlling interests		2,137	13,826	-	-
Owners of the Company		<u>(11,525)</u>	<u>(49,497)</u>	<u>(14,480)</u>	<u>(38,483)</u>
<b>Total comprehensive expenses for the financial period</b>		<u>(9,388)</u>	<u>(35,671)</u>	<u>(14,480)</u>	<u>(38,483)</u>
<b>Loss Per Share</b>					
Basic loss per share (cents)	18	(0.01)	(0.05)	-	-
Diluted loss per share (cents)	18	<u>(0.01)</u>	<u>(0.05)</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 2021

<b>The Group</b>	<b>Contributed share capital USD</b>	<b>Exchange translation reserve USD</b>	<b>Accumulated losses USD</b>	<b>Sub-total USD</b>	<b>Non- controlling interests USD</b>	<b>Total equity USD</b>
As at 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/ 1 July 2020	7,193,190	(18,677)	(1,995,693)	5,178,820	(70,122)	5,108,698
Loss for the financial year, net of tax	-	-	(148,834)	(148,834)	(30,453)	(179,287)
Other comprehensive loss for the financial period	-	(42,210)	-	(42,210)	(4,668)	(46,878)
Total comprehensive loss for the financial period	-	(42,210)	(148,834)	(191,044)	(35,121)	(226,165)
As at 31 December 2020/ 1 January 2021	7,193,190	(60,887)	(2,144,527)	4,987,776	(105,243)	4,882,533
Loss for the financial year, net of tax	-	-	(32,615)	(32,615)	(264)	(32,879)
Other comprehensive loss for the financial period	-	21,090	-	21,090	2,401	23,491
Total comprehensive loss for the financial period	-	21,090	(32,615)	(11,525)	2,137	(9,388)
Effect of increase in stake in a subsidiary	-	-	-	-	607,273	607,273
As at 30 June 2021	7,193,190	(39,797)	(2,177,142)	4,976,251	504,167	5,480,418

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 2021**

	<b>Contributed share Capital USD</b>	<b>Accumulated losses USD</b>	<b>Total equity USD</b>
<b>The Company</b>			
As at 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/ 1 July 2020	7,193,190	216,715	7,409,905
Total comprehensive loss for the financial period	-	(7,881)	(7,881)
As at 31 December 2020/ 1 January 2021	7,193,190	208,834	7,402,024
Total comprehensive loss for the financial period	-	(14,480)	(14,480)
As at 30 June 2021	<u>7,193,190</u>	<u>194,354</u>	<u>7,387,544</u>

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

**STATEMENTS OF CASH FLOWS**

FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021

	<b>The Group</b>	
	<b>1.1.2021</b>	<b>1.1.2020</b>
	<b>to</b>	<b>to</b>
	<b>30.6.2021</b>	<b>30.6.2020</b>
	<b>USD</b>	<b>USD</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	429,017	12,350
Finance cost paid	<u>(6,876)</u>	<u>(7,145)</u>
<b>Net cash generated from operating activities</b>	<u>422,141</u>	<u>5,205</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(826)	(393)
Purchase of additional equity interest in a subsidiary	<u>(392,702)</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(393,528)</u>	<u>(393)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	<u>(20,645)</u>	<u>(25,785)</u>
<b>Net cash used in financing activities</b>	<u>(20,645)</u>	<u>(25,785)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	7,968	(20,973)
<b>Cash and cash equivalents brought forward</b>	<u>226,602</u>	<u>334,197</u>
<b>Cash and cash equivalents carried forward</b>	<u>234,570</u>	<u>313,224</u>
<b>Represented by:</b>		
Cash and bank balances	<u>234,570</u>	<u>313,224</u>
<b>Cash and cash equivalents</b>	<u>234,570</u>	<u>313,224</u>

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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2021

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### 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 2021.

### 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 2021**

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**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 2021**

**12. PROPERTY, PLANT AND EQUIPMENT**

<b>Group</b>	<b>ECR self-toilet system USD</b>	<b>Furniture, fittings and equipment USD</b>	<b>Leasehold land and factory building USD</b>	<b>Machineries USD</b>	<b>Motor vehicles USD</b>	<b>Renovation and signboard USD</b>	<b>Simulator system USD</b>	<b>Total USD</b>
<i>Cost</i>								
At 1 January 2020	58,805	142,587	852,366	81,319	171,856	255,631	340,035	1,902,599
Addition	-	1,623	-	-	-	-	-	1,623
Exchange differences	1,114	2,768	16,144	1,540	3,255	4,842	6,441	36,104
At 31 December 2020	59,919	146,978	868,510	82,859	175,111	260,473	346,476	1,940,326
At 1 January 2021	59,919	146,978	868,510	82,859	175,111	260,473	346,476	1,940,326
Addition	-	826	-	-	-	-	-	826
Exchange differences	(1,714)	(4,206)	(24,841)	(2,370)	(5,008)	(7,450)	(9,910)	(55,499)
At 30 June 2021	58,205	143,598	843,669	80,489	170,103	253,023	336,566	1,885,653

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
**AS AT 30 JUNE 2021**

**12. PROPERTY, PLANT AND EQUIPMENT (Continued)**

<b>Group</b>	<b>ECR self-toilet system USD</b>	<b>Furniture, fittings and equipment USD</b>	<b>Leasehold land and factory building USD</b>	<b>Machineries USD</b>	<b>Motor vehicles USD</b>	<b>Renovation and signboard USD</b>	<b>Simulator system USD</b>	<b>Total USD</b>
<b><i>Accumulated depreciation</i></b>								
At 1 January 2020	47,044	97,759	69,652	78,495	171,856	192,401	102,011	759,218
Addition	11,503	27,824	13,625	920	-	38,315	33,259	125,446
Exchange differences	1,371	3,013	1,888	1,525	3,255	5,244	3,321	19,617
At 31 December 2020	59,918	128,596	85,165	80,940	175,111	235,960	138,591	904,281
At 1 January 2021	59,918	128,596	85,165	80,940	175,111	235,960	138,591	904,281
Addition	-	7,746	6,764	467	-	11,345	16,864	43,186
Exchange differences	(1,714)	(3,694)	(2,450)	(2,316)	(5,008)	(6,774)	(4,000)	(25,956)
At 30 June 2021	58,204	132,648	89,479	79,091	170,103	240,531	151,455	921,511
<b><i>Net book value</i></b>								
At 30 June 2021	1	10,950	754,190	1,398	-	12,492	185,111	964,142
At 31 December 2020	1	18,382	783,345	1,919	-	24,513	207,885	1,036,045

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
**AS AT 30 JUNE 2021**

**13. GOODWILL ON CONSOLIDATION**

	<b>Group</b>	
	<b>As at 30.6.2021 USD</b>	<b>As at 31.12.2020 USD</b>
At cost:		
At beginning of the financial period/year	1,663,848	1,790,848
Impairment recognised	-	(127,000)
At end of the financial period/year	<u>1,663,848</u>	<u>1,663,848</u>

**14. INVESTMENT IN SUBSIDIARIES**

	<b>Company</b>	
	<b>As at 30.6.2021 USD</b>	<b>As at 31.12.2020 USD</b>
Unquoted shares, at cost	<u>3,338,848</u>	<u>3,338,848</u>

Details of the subsidiaries are as follows:

<b>Name of indirect subsidiaries</b>	<b>Principal place of business</b>	<b>Effective equity interest</b>		<b>Principal activities</b>
		<b>As at 30.6.2020 %</b>	<b>As at 31.12.2019 %</b>	
<i><u>Held by the Company</u></i>				
Nanopac (M) Sdn. Bhd.	Malaysia	100	100	- Investment holding - Production and distribution of Nano products
<i><u>Held through Nanopac (M) Sdn. Bhd.</u></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 2021**

**15. SHARE CAPITAL**

	<b>Group/Company</b>			
	<b>As at 30.6.2021</b>	<b>As at 30.6.2021</b>	<b>As at 31.12.2020</b>	<b>As at 31.12.2020</b>
	<b>No. of shares</b>	<b>Monetary value USD</b>	<b>No. of shares</b>	<b>Monetary value USD</b>
<b>Issued and fully paid</b>				
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><u>78,816,917</u></u>	<u><u>7,193,190</u></u>	<u><u>78,816,917</u></u>	<u><u>7,193,190</u></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**

	<b>Group</b>	
	<b>As at 30.6.2021</b>	<b>As at 31.12.2020</b>
	<b>USD</b>	<b>USD</b>
<u>Current</u>		
Term loans (Secured)	85,438	20,268
Lease liabilities (Note 17)	<u>19,470</u>	<u>22,194</u>
	<u><u>104,908</u></u>	<u><u>42,462</u></u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
**AS AT 30 JUNE 2021**

**16. BANK BORROWINGS (Continued)**

	<b>Group</b>	
	<b>As at 30.6.2021 USD</b>	<b>As at 31.12.2020 USD</b>
<u>Non-current</u>		
Term loans (Secured)	259,714	345,329
Lease liabilities (Note 17)	9,969	19,081
	<u>269,683</u>	<u>364,410</u>
<u>Total borrowings</u>		
Term loans (Secured)	345,152	365,597
Lease liabilities (Note 17)	29,439	41,275
	<u>374,591</u>	<u>406,873</u>

**Maturities of borrowings (excluding finance lease liabilities):**

	<b>Group</b>	
	<b>As at 30.6.2021 USD</b>	<b>As at 31.12.2020 USD</b>
Within one year	7,650	20,268
More than 1 year and less than 2 years	11,665	20,931
More than 2 years and less than 5 years	38,306	66,990
More than 5 years	287,531	257,408
	<u>345,152</u>	<u>365,597</u>

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

	<b>Group</b>	
	<b>As at 30.6.2021 USD</b>	<b>As at 31.12.2020 USD</b>
Term loans	3.27%	3.27%
Lease liabilities	4.78%	4.78%

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 2021**

**17. LEASE LIABILITIES**

	<b>Group</b>	
	<b>As at 30.6.2021 USD</b>	<b>As at 31.12.2020 USD</b>
At beginning of the financial period/year	41,275	59,624
Repayment of principal	(20,645)	(21,512)
Interest expenses recognised in profit or loss	6,876	2,033
Translation adjustments	1,933	1,130
	<u>29,439</u>	<u>41,275</u>
<u>Current</u>		
Within 1 year	19,470	22,194
<u>Non-current</u>		
More than 1 year and less than 5 years	9,969	19,081
	<u>29,439</u>	<u>41,275</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.

	<b>Group</b>	
	<b>1.1.2021 to 30.6.2021 USD</b>	<b>1.1.2020 to 30.6.2020 USD</b>
Loss attributable to ordinary equity holder	(9,388)	(35,671)
Number of ordinary shares in issue during the financial period	78,816,917	78,816,917
Basic earnings per share	<u>(0.01)</u>	<u>(0.05)</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 2021**

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**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 2021 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 2021.