

NANOPAC INNOVATION LIMITED

Company No.: (ARBN 169020580)

(Incorporated in Samoa)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE 6-MONTH FINANCIAL PERIOD ENDED
30 JUNE 2024**



Assurance and Advisory Business Services

HALF YEAR REPORT

NANOPAC INNOVATION LIMITED

(ARBN 169020580)
(Incorporated in Samoa)

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FOR THE 6-MONTH FINANCIAL PERIOD ENDED
30 JUNE 2024**

2024

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CORPORATE INFORMATION

Board of directors	:	Dato' Dr. Cheng Kok Leong Nazrulshah Bin Md Yusop Cheang Soon Siang Tan Yeang Tze <i>(Appointed on 16.8.2022; Resigned on 23.7.2024)</i>
Company secretaries	:	Andrew Bristow - Australia Westco Secretaries Ltd - Samoa
Registered office - Samoa	:	c/o - Asiaciti Trust Samoa Ltd 2 nd Floor, Building B SNPF Plaza Saualino Apia Samoa
Registered office - Australia	:	c/o - Dash Corporate Lawyers 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	:	Dash Corporate Lawyers Pty Ltd 31 Highgate Cct Kellyville Nsw 2155 Mob: 0403192 230
CDI/Share Registry	:	Boardroom Pty Limited Level 8, 210 George Street Sydney Nsw 2000

STATEMENT BY DIRECTORS

We, *Dato' Dr. Cheng Kok Leong* and *Nazrulshah Bin Md Yusop*, being two of 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 2024 and of their financial performance and cash flows for the 6-month financial period ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors



Dato' Dr. Cheng Kok Leong
Director



Nazrulshah Bin Md Yusop
Director

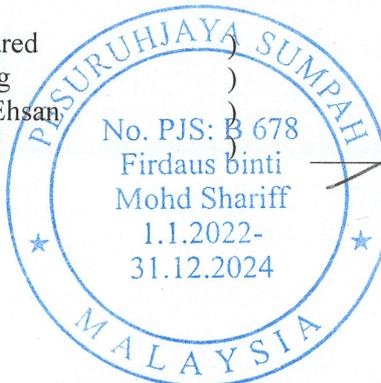
Selangor Darul Ehsan, Malaysia

Dated: 06 SEP 2024

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 2024 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 06 SEP 2024
Before me:



Dato' Dr. Cheng Kok Leong
Director



Lot 12A, Tkt 1,
Jln BK 5A/2A,
Bandar Kinrara
47180 Puchong, Selangor.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NANOPAC INNOVATION LIMITED

We have reviewed the accompanying condensed consolidated statements of financial position of **Nanopac Innovation Limited** as at 30 June 2024, and the condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statements 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 material accounting policies, as set out on pages 5 to 23.

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 Group and 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 2024, 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".

ACT Partners
AF: 001842
Chartered Accountants

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

Chew Por Yan
01830/05/2025(J)
Chartered Accountant

Selangor Darul Ehsan, Malaysia

Dated: 06 SEP 2024

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Group		Company	
		As at 30.6.2024 USD	As at 31.12.2023 USD	As at 30.6.2024 USD	As at 31.12.2023 USD
Assets					
Non-current assets					
Property, plant and equipment	11	726,916	765,533	-	-
Intangible assets		31,798	36,317	-	-
Right-of-use assets		37,075	8,254	-	-
Goodwill	12	1,368,848	1,368,848	-	-
Investments in subsidiaries	13	-	-	3,338,871	3,338,871
Total non-current assets		<u>2,164,637</u>	<u>2,178,952</u>	<u>3,338,871</u>	<u>3,338,871</u>
Current assets					
Inventories		117,272	129,092	-	-
Trade receivables		182,492	102,271	-	-
Other receivables		3,053,793	3,054,395	2,851,433	2,851,433
Amount due from subsidiaries		-	-	1,006,740	1,032,267
Amount due from Directors		308,613	300,904	-	-
Amount due from associates		21,719	21,017	-	-
Tax recoverable		7,800	524	-	-
Cash and cash equivalents		818,437	909,513	-	-
Total current assets		<u>4,510,126</u>	<u>4,517,716</u>	<u>3,858,173</u>	<u>3,883,700</u>
Total assets		<u>6,674,763</u>	<u>6,696,668</u>	<u>7,197,044</u>	<u>7,222,571</u>
Equity and liabilities					
Capital and reserves					
Share capital	14	7,193,190	7,193,190	7,193,190	7,193,190
Reserve		128,890	124,862	-	-
(Accumulated losses)/ Retained earnings		<u>(2,456,903)</u>	<u>(2,498,588)</u>	<u>(1,304)</u>	<u>16,626</u>
Equity attributable to owners of the Company		<u>4,865,177</u>	<u>4,819,464</u>	<u>7,191,886</u>	<u>7,209,816</u>
Non-controlling interests		<u>396,894</u>	<u>404,398</u>	-	-
Total equity		<u>5,262,071</u>	<u>5,223,862</u>	<u>7,191,886</u>	<u>7,209,816</u>
Non-current liabilities					
Bank borrowings	15	137,085	132,608	-	-
Deferred tax liabilities		<u>275</u>	<u>282</u>	-	-
Total non-current liabilities		<u>137,360</u>	<u>132,890</u>	-	-

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Group		Company	
		As at 30.6.2024 USD	As at 31.12.2023 USD	As at 30.6.2024 USD	As at 31.12.2023 USD
Current liabilities					
Trade payables		-	13,720	-	-
Other payables		1,131,880	1,193,807	5,135	12,732
Amount due to Directors		104,547	107,454	23	23
Bank borrowings	15	38,905	24,935	-	-
Total current liabilities		<u>1,275,332</u>	<u>1,339,916</u>	<u>5,158</u>	<u>12,755</u>
Total liabilities		<u>1,412,692</u>	<u>1,472,806</u>	<u>5,158</u>	<u>12,755</u>
Total equity and liabilities		<u><u>6,674,763</u></u>	<u><u>6,696,668</u></u>	<u><u>7,197,044</u></u>	<u><u>7,222,571</u></u>

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	Group		Company	
		1.1.2024 to 30.6.2024 USD	1.1.2023 to 30.6.2023 USD	1.1.2024 to 30.6.2024 USD	1.1.2023 to 30.6.2023 USD
Revenue		451,591	336,869	-	-
Cost of sales		<u>(225,362)</u>	<u>(178,371)</u>	<u>-</u>	<u>-</u>
Gross profit		226,229	158,498	-	-
Other operating income		9,024	341,724	181	88
Administration expenses		(134,378)	(170,859)	(16,840)	(19,972)
Selling and marketing expenses		(4,166)	-	-	-
Other operating expenses		<u>(47,044)</u>	<u>(82,419)</u>	<u>(1,271)</u>	<u>(422)</u>
Operating profit/(loss)		49,665	246,944	(17,930)	(20,306)
Finance costs		<u>(3,511)</u>	<u>(7,060)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before taxation		46,154	239,884	(17,930)	(20,306)
Income tax expense		<u>(996)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the financial period, net of tax		45,158	239,884	(17,930)	(20,306)
<u>Other comprehensive (loss)/gain</u>					
Foreign currency translation differences		<u>(6,949)</u>	<u>(20,422)</u>	<u>-</u>	<u>-</u>
Total comprehensive income/ (expenses) for the financial period		<u><u>38,209</u></u>	<u><u>219,462</u></u>	<u><u>(17,930)</u></u>	<u><u>(20,306)</u></u>

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	Group		Company	
		1.1.2024 to 30.6.2024 USD	1.1.2023 to 30.6.2023 USD	1.1.2024 to 30.6.2024 USD	1.1.2023 to 30.6.2023 USD
Net profit/(loss) attributable to:					
Non-controlling interests		7,258	(5,711)	-	-
Owners of the Company		<u>37,900</u>	<u>245,595</u>	<u>(17,930)</u>	<u>(20,306)</u>
Profit/(Loss) for the financial period		<u><u>45,158</u></u>	<u><u>239,884</u></u>	<u><u>(17,930)</u></u>	<u><u>(20,306)</u></u>
Total comprehensive income/ (expenses) attributable to:					
Non-controlling interests		(3,719)	(30,207)	-	-
Owners of the Company		<u>41,928</u>	<u>249,669</u>	<u>(17,930)</u>	<u>(20,306)</u>
Total comprehensive income/ (expenses) for the financial period		<u><u>38,209</u></u>	<u><u>219,462</u></u>	<u><u>(17,930)</u></u>	<u><u>(20,306)</u></u>
Earnings Per Share					
Basic earnings per share (cents)	17	0.01	0.30	-	-
Diluted earnings per share (cents)	17	<u>0.01</u>	<u>0.30</u>	<u>-</u>	<u>-</u>

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2024

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 2023	7,193,190	23,197	(2,564,273)	4,652,114	426,302	5,078,416
Profit for the financial year, net of tax	-	-	245,595	245,595	(5,711)	239,884
Other comprehensive loss for the financial period	-	4,074	-	4,074	(24,496)	(20,422)
Total comprehensive loss for the financial period	-	4,074	245,595	249,669	(30,207)	219,462
As at 30 June 2023/1 July 2023	7,193,190	27,271	(2,318,678)	4,901,783	396,095	5,297,878
Loss for the financial year, net of tax	-	-	(179,910)	(179,910)	1,315	(178,595)
Other comprehensive income for the financial period	-	97,591	-	97,591	6,988	104,579
Total comprehensive loss for the financial period	-	97,591	(179,910)	(82,319)	8,303	(74,016)
As at 31 December 2023/1 January 2024	7,193,190	124,862	(2,498,588)	4,819,464	404,398	5,223,862
Profit for the financial year, net of tax	-	-	37,900	37,900	7,258	45,158
Other comprehensive loss for the financial period	-	4,028	-	4,028	(10,977)	(6,949)
Total comprehensive income for the financial period	-	4,028	37,900	41,928	(3,719)	38,209
Effects of increase in stake in a subsidiary	-	-	3,785	3,785	(3,785)	-
As at 30 June 2024	<u>7,193,190</u>	<u>128,890</u>	<u>(2,456,903)</u>	<u>4,865,177</u>	<u>396,894</u>	<u>5,262,071</u>

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

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2024

	Contributed share capital USD	Retained earnings/ (Accumulated losses) USD	Total equity USD
The Company			
As at 1 January 2023	7,193,190	73,781	7,266,971
Total comprehensive loss for the financial period	<u>-</u>	<u>(20,306)</u>	<u>(20,306)</u>
As at 30 June 2023/1 July 2023	7,193,190	53,475	7,246,665
Total comprehensive loss for the financial period	<u>-</u>	<u>(36,849)</u>	<u>(36,849)</u>
As at 31 December 2023/1 January 2024	7,193,190	16,626	7,209,816
Total comprehensive loss for the financial period	<u>-</u>	<u>(17,930)</u>	<u>(17,930)</u>
As at 30 June 2024	<u><u>7,193,190</u></u>	<u><u>(1,304)</u></u>	<u><u>7,191,886</u></u>

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2024

	The Group	
	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
	USD	USD
Cash flows from operating activities		
Cash used in operations	(72,775)	(121,047)
Finance cost paid	(3,511)	(7,060)
Net cash used in operating activities	<u>(76,286)</u>	<u>(128,107)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,797)	(6,160)
Interest received	3,908	1,743
Proceeds from disposal of investment properties	-	893,376
Proceeds from disposal of property, plant and equipment	85	-
Net cash generated from investing activities	<u>1,196</u>	<u>888,959</u>
Cash flows from financing activities		
Repayment of borrowings	(15,986)	(21,785)
Net cash used in financing activities	<u>(15,986)</u>	<u>(21,785)</u>
Net (decrease)/increase in cash and cash equivalents	(91,076)	739,067
Cash and cash equivalents brought forward	<u>909,513</u>	<u>284,838</u>
Cash and cash equivalents carried forward	<u><u>818,437</u></u>	<u><u>1,023,905</u></u>
Represented by:		
Cash and bank balances	<u>818,437</u>	<u>1,023,905</u>
Cash and cash equivalents	<u><u>818,437</u></u>	<u><u>1,023,905</u></u>

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 JUNE 2024**

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.

There have been no significant change in the principal activity during the financial period.

3. MATERIAL 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 2024.

(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 30 June 2024.

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 2024

8. DIVIDENDS

There was no dividend payment during the financial period.

9. 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.

10. 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 2024

11. PROPERTY, PLANT AND EQUIPMENT

Group	ECR self-toilet system 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 2023	54,916	138,292	796,000	76,433	160,492	243,952	317,549	1,787,634
Addition	-	2,977	-	-	-	4,658	-	7,635
Translation adjustments	(2,259)	(5,688)	(32,742)	(3,144)	(6,601)	(10,034)	(13,062)	(73,530)
At 31 December 2023	52,657	135,581	763,258	73,289	153,891	238,576	304,487	1,721,739
At 1 January 2024	52,657	135,581	763,258	73,289	153,891	238,576	304,487	1,721,739
Addition	-	41	-	-	-	2,756	-	2,797
Disposal	-	(387)	-	-	-	-	-	(387)
Translation adjustments	(1,428)	(3,678)	(20,710)	(1,989)	(4,177)	(6,474)	(8,262)	(46,718)
At 30 June 2024	51,229	131,557	742,548	71,300	149,714	234,858	296,225	1,677,431

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2024

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group	ECR self-toilet system 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 2023	54,915	134,555	96,485	76,086	160,492	240,655	190,530	953,718
Addition	-	1,571	7,759	95	-	1,997	30,559	41,981
Translation adjustments	(2,259)	(5,544)	(4,018)	(3,130)	(6,601)	(9,912)	(8,029)	(39,493)
At 31 December 2023	52,656	130,582	100,226	73,051	153,891	232,740	213,060	956,206
At 1 January 2024	52,656	130,582	100,226	73,051	153,891	232,740	213,060	956,206
Addition	-	816	3,755	46	-	1,220	14,830	20,667
Disposal	-	(387)	-	-	-	-	-	(387)
Translation adjustments	(1,428)	(3,544)	(2,725)	(1,983)	(4,177)	(6,313)	(5,801)	(25,971)
At 30 June 2024	51,228	127,467	101,256	71,114	149,714	227,647	222,089	950,515
<i>Net book value</i>								
At 30 June 2024	1	4,090	641,292	186	-	7,211	74,136	726,916
At 31 December 2023	1	4,999	663,032	238	-	5,836	91,427	765,533

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2024

12. GOODWILL ON CONSOLIDATION

	Group	
	As at 30.6.2024 USD	As at 31.12.2023 USD
At cost:		
At beginning of the financial period/year	1,368,848	1,416,848
Impairment recognised	<u>-</u>	<u>(48,000)</u>
At end of the financial period/year	<u>1,368,848</u>	<u>1,368,848</u>

13. INVESTMENT IN SUBSIDIARIES

	Company	
	As at 30.6.2024 USD	As at 31.12.2023 USD
Unquoted shares, at cost		
At beginning of the financial period/year	3,338,871	3,338,871
Disposal in investment in subsidiary	<u>-</u>	<u>*</u>
At end of the financial period/year	<u>3,338,871</u>	<u>3,338,871</u>

* Amount less than USD1

Details of the direct subsidiary are as follows:

Name of direct subsidiary	Principal place of business	Effective equity interest		Principal activities
		As at 30.6.2024 %	As at 31.12.2023 %	
Nanopac (M) Sdn. Bhd.*	Malaysia	100	100	- Investment holding - Production and distribution of Nano products
Nanopac Resources Sdn. Bhd.*	Malaysia	100	100	- Investment holding - Exploration, extraction and trading in mineral

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2024

13. INVESTMENT IN SUBSIDIARIES (Continued)

Details of the indirect subsidiaries are as follows:

Name of indirect subsidiaries	Principal place of business	Effective equity interest		Principal activities
		As at 30.6.2024 %	As at 31.12.2023 %	
Nanopac Innovation Limited #	Seychelles	51	51	- Production and distribution of Nano products
Nanopac Innovation (M) Sdn. Bhd. *	Malaysia	100	60	- Dormant
Nanotextile Sdn. Bhd. *	Malaysia	60	60	- Developing and promoting nanotechnology based products

* The Subsidiaries are incorporated in Malaysia and audited by Messrs. ACT Partners (AF: 001842).

The audited financial statements and auditors' report of the subsidiary are not available. The management accounts have been used for the purpose of consolidation.

On 11 January 2024, Nanopac (M) Sdn. Bhd. ("Nanopac") a wholly owned subsidiary of the Company, has acquired an additional 40% of equity interest to the total 100% respectively in the total number of issued and paid-up share capital of Nanopac Innovation (M) Sdn. Bhd. ("Nanopac Innovation") for a total cash consideration of USD9. Upon completion of the acquisition of Nanopac Innovation shares, Nanopac Innovation become an indirect wholly owned subsidiary of the Company, held through Nanopac.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2024

14. SHARE CAPITAL

	Group/Company			
	As at 30.6.2024	As at 30.6.2024	As at 31.12.2023	As at 31.12.2023
	No. of shares	Monetary value USD	No. of shares	Monetary value USD
Issued and fully paid				
<i>Ordinary shares</i>				
At beginning of the financial period/year	691,034,100	7,096,055	58,816,917	6,993,190
Share split	-	-	529,352,253	-
Conversion shares from "A" Converting shares	-	-	102,864,930	102,865
At end of the financial period/year	<u>691,034,100</u>	<u>7,096,055</u>	<u>691,034,100</u>	<u>7,096,055</u>
<i>"A" Converting shares</i>				
At beginning of the financial period/year	97,135,070	97,135	20,000,000	200,000
Share split	-	-	180,000,000	-
Conversion shares to ordinary shares	-	-	(102,864,930)	(102,865)
At end of the financial period/year	<u>97,135,070</u>	<u>97,135</u>	<u>97,135,070</u>	<u>97,135</u>
	<u>788,169,170</u>	<u>7,193,190</u>	<u>788,169,170</u>	<u>7,193,190</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

On 21 July 2023, the number of ordinary shares of the Company was increased from 58,816,917 units to 588,169,170 units pursuant to share split involving a subdivision of every one existing shares into ten shares.

"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.

On 21 July 2023, the number of "A" Converting Shares of the Company was increased from 20,000,000 units to 200,000,000 units pursuant to share split involving a subdivision of every one existing shares into ten shares.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2024

14. SHARE CAPITAL (Continued)

“A” Converting Shares (Continued)

On 18 August 2023, 102,864,930 units converted into fully paid ordinary shares will rank pari passu with existing ordinary shares.

PAR Value

All shares have a par value of US\$0.001 (2023: US\$0.001). The Company has an authorised capital of US\$14,000,001.

15. BANK BORROWINGS

	Group	
	As at 30.6.2024 USD	As at 31.12.2023 USD
<u>Current</u>		
Term loans (Secured)	15,300	15,461
Lease liabilities (Note 16)	23,605	9,474
	38,905	24,935
<u>Non-current</u>		
Term loans (Secured)	119,609	127,702
Lease liabilities (Note 16)	17,476	4,906
	137,085	132,608
<u>Total borrowings</u>		
Term loans (Secured)	134,909	143,163
Lease liabilities (Note 16)	41,081	14,380
	175,990	157,543

Maturities of borrowings (excluding finance lease liabilities):

	Group	
	As at 30.6.2024 USD	As at 31.12.2023 USD
Within one year	4,698	4,471
More than 1 year and less than 2 years	10,543	4,826
More than 2 years and less than 5 years	25,958	16,904
More than 5 years	93,710	116,962
	134,909	143,163

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2024

15. BANK BORROWINGS (Continued)

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

	Group	
	As at 30.6.2024 USD	As at 31.12.2023 USD
Term loans	3.27%	3.27%
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.

16. LEASE LIABILITIES

	Group	
	As at 30.6.2024 USD	As at 31.12.2023 USD
At beginning of the financial period/year	14,380	30,886
Addition	38,686	6,540
Repayment of principal	(11,595)	(23,248)
Interest expenses recognised in profit or loss	437	1,335
Translation adjustments	<u>(827)</u>	<u>(1,133)</u>
At end of the financial period/year	<u>41,081</u>	<u>14,380</u>
<u>Current</u>		
Within 1 year	23,605	9,474
<u>Non-current</u>		
More than 1 year and less than 5 years	<u>17,476</u>	<u>4,906</u>
	<u>41,081</u>	<u>14,380</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2024

17. EARNINGS PER SHARE

The earnings per share is calculated based on the consolidated earnings attributable to owners of the Company divided by the weighted average number of shares on issue of 788,169,170 (2023: 78,816,917) shares during the financial period.

The following table reflect the profit and share date used in the computation of diluted earnings per share from continuing operations for the financial period ended 30 June:

	Group	
	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
	USD	USD
Weighted average number of ordinary shares for the purpose of calculating dilute earnings per share	788,169,170	78,816,917
Profit for the purpose of calculating basic and diluted earnings per share	45,158	239,884
Basic earnings per share	<u>0.01</u>	<u>0.30</u>

18. 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2024

18. RELATED PARTY DISCLOSURES (Continued)

(b) Significant related party transactions and balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial period: -

	Group/Company			
	As at 30.6.2024 USD	As at 31.12.2023 USD	As at 30.6.2024 USD	As at 31.12.2023 USD
Amount due from affiliated companies	3,001,659	2,857,917	2,851,433	2,851,433
Amount due from subsidiary	-	-	1,006,740	1,032,267
Amount due from associates	21,719	21,017	-	-
Amount due to affiliated company	1,121,352	1,159,108	-	-
Trade receivables	-	991	-	-
Sales to affiliated companies	-	2,094	-	-
Directors' remuneration	19,393	42,257	-	-
Consultant fees	17,037	39,770	-	-
Rental of motor vehicles	6,368	13,157	-	-
	<u>3,001,659</u>	<u>2,857,917</u>	<u>2,851,433</u>	<u>2,851,433</u>

19. SIGNIFICANT EVENTS DURING REPORTING DATE

Material litigation

Tee Chong Teck & 32 others (“the Plaintiffs”) and Nanopac (M) Sdn Bhd (“the Subsidiary”)

On 17 January 2020, the Plaintiffs filed the writ to Shah Alam High Court against Nanopac Innovation Limited, Nanopac (M) Sdn Bhd (“the Subsidiary”), Cheng Kok Leong, Gain Angel International Sdn Bhd, Idia Investment Limited and Farid, Wong & Wee (“the defendants”).

The Plaintiff was filed on the ground of the 6 defendants conspired to cheat through misrepresentation to the 32 plaintiffs. They claimed to nullify the agreement signed with the Company and request full compensation.

On 3 July 2020, the Subsidiary’s legal representative, SP Ng & Associates have applied to strike out the case on behalf the Subsidiary and filed to the Shah Alam High Court for remove or cancel the legal action against the Subsidiary.

The plaintiffs have not filed for any interim or summary judgement and so the matter will go for full trial.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2024

19. SIGNIFICANT EVENTS DURING REPORTING DATE (Continued)

Material litigation (Continued)

Tee Chong Teck & 32 others (“the Plaintiffs”) and Nanopac (M) Sdn Bhd (“the Subsidiary”) (Continued)

The previously fixed case management was on 25 November 2021, and the initial full trial dates were 29 and 30 November 2021. The lawyer had to postpone the trial due to the change of the court and judge for this case.

On 21 February 2022, the trial date was fixed and postponed again due to no High Court Judge available. In March 2022, the dates have been vacated, and new trial dates have not been fixed as we have to wait for a new judge to be assigned.

The Shah Alam High Court has fixed 8 to 11 October 2024 for full trial of the suit.

The directors after obtain advice from their solicitor strongly believes that the Subsidiary is not held responsible for the alleged claimed. Accordingly, no provision has been made with regard this matter.

20. CONTINGENCIES AND COMMITMENTS

The Group and the Company had neither contingent liabilities/assets nor any financial commitments as at 30 June 2024.