

26 October 2021

The Manager

National Stock Exchange of Australia Ltd

### **Audit Update**

As previously announced Nanopac International Limited ( NSX:NNO) has been attempting to finalise its outstanding financial accounts for the period from 1 January 2019.

To that end and as agreed with NSX, it has appointed ESV Business Advisors and Accountants (“ESV”) as an auditor in Australia. Additionally, it appointed consulting accountants in Australia to assist in finalising the accounts and preparing work papers for the audit process.

Unfortunately, and largely due to the various and continuing Covid-19 lock-downs and travel restrictions in both Malaysia and Australia this process has been constantly disrupted and remains incomplete.

The company has now been advised that due to business pressures the Australian consultant accountants are unable to assist the Company going forward.

Accordingly, and in consultation with ESV the Company has taken the following steps:

1. Appointed its former auditor YL Chee to provide external CFO services in order to expedite the completion of the outstanding accounts and prepare working papers for the audit of those accounts; and
2. Appointed ACT Partners, Chartered Accountants (“ACT”) as an additional auditing firm. ACT are based in Malaysia and are able to meet directly with the Company which should greatly simplify the audit process. ACT are also members of TIAG which is a world-wide group of affiliated accounting firms. ESV is also a member of TIAG.

The Company anticipated all outstanding accounts should be completed by 31 December 2021 at the outside.

As noted above the Company appointed ESV as an auditor as agreed with NSX. The Company at the time had no problem with the appointment of an Australian auditor in respect of the auditing of its financial statements. However, it has since become clear that the process has become administratively burdensome and resulted in continued delays, especially with the impact of Covid. This has seen the Company’s shares being continuously suspended and the Company incurring greater than expected costs.

**Subsidiary:**

**NANOPAC (M) SDN BHD** - 27 Jalan Raja Wali 2, Bandar Puchong Jaya, 47100 Puchong, Selangor D.E. Malaysia.

Tel: +603 – 8070 7428 Fax: +603 – 8076 6487

**NANOPAC INNOVATION SDN BHD** - 27 Jalan Raja Wali 2, Bandar Puchong Jaya, 47100 Puchong, Selangor D.E. Malaysia.

Tel: +603 – 8070 7428 Fax: +603 – 8076 6487

**NANOTEXTILE SDN BHD** – 23 Jalan MJ 16, Taman Meranti Jaya, 47120 Puchong, Selangor D.E. Malaysia.

Tel: +603-80516990 Fax: +03-8051 3098

ARBN 169 020 580

Accordingly, the Company has today made submissions to the NSX Compliance Committee seeking to have the requirement for an Australian auditor audit the Company's accounts removed or varied. As such ESV will remain as an auditor of the Company in the interim.

Authorised by



Andrew Bristow

Secretary

**Subsidiary:**

**NANOPAC (M) SDN BHD** - 27 Jalan Raja Wali 2, Bandar Puchong Jaya, 47100 Puchong, Selangor D.E. Malaysia.

Tel: +603 – 8070 7428 Fax: +603 – 8076 6487

**NANOPAC INNOVATION SDN BHD** - 27 Jalan Raja Wali 2, Bandar Puchong Jaya, 47100 Puchong, Selangor D.E. Malaysia.

Tel: +603 – 8070 7428 Fax: +603 – 8076 6487

**NANOTEXTILE SDN BHD** – 23 Jalan MJ 16, Taman Meranti Jaya, 47120 Puchong, Selangor D.E. Malaysia.

Tel: +603-80516990 Fax: +03-8051 3098