

NANOPAC INNOVATION LIMITED

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

REPORTS AND FINANCIAL STATEMENTS FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2023



HALF YEAR REPORT

NANOPAC INNOVATION LIMITED

(ARBN 169020580)
(Incorporated in Samoa)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE 6-MONTH FINANCIAL PERIOD ENDED
30 JUNE 2023**

2023

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CORPORATE INFORMATION

Board of directors	: Dato' Dr. Cheng Kok Leong Nazrulshah Bin Md Yusop Tan Yeang Tze Cheang Soon Siang
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 *Nazrulshah 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 2023 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

Nazrulshah Bin Md Yusop
Director


Selangor Darul Ehsan, Malaysia
Dated: 01 SEP 2023

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 2023 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 01 SEP 2023

Before me:



Dato' Dr. Cheng Kok Leong
Director



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 2023, 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 significant accounting policies, as set out on pages 5 to 21.

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 2023, 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
01830/05/2025(J)
Chartered Accountant

Selangor Darul Ehsan, Malaysia

Dated: 01 SEP 2023

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Group		Company	
	Note	As at 30.6.2023 USD	As at 31.12.2022 USD	As at 30.6.2023 USD	As at 31.12.2022 USD
Assets					
Non-current assets					
Property, plant and equipment	11	767,172	833,916	-	-
Investment properties		-	571,405	-	-
Intangible assets		39,245	45,450	-	-
Right-of-use assets		17,749	20,590	-	-
Goodwill	12	1,416,848	1,416,848	-	-
Investments in subsidiaries	13	-	-	3,338,871	3,338,871
Total non-current assets		<u>2,241,014</u>	<u>2,888,209</u>	<u>3,338,871</u>	<u>3,338,871</u>
Current assets					
Inventories		84,052	126,234	-	-
Trade receivables		151,952	169,424	-	-
Other receivables		3,062,173	3,053,563	2,854,788	2,851,433
Amount due from subsidiaries		-	-	1,056,513	1,083,569
Amount due from Directors		277,218	265,020	-	-
Amount due from associates		18,291	17,289	-	-
Current tax assets		12,416	9,553	-	-
Cash and cash equivalents		1,023,905	284,838	-	-
Total current assets		<u>4,630,007</u>	<u>3,925,921</u>	<u>3,911,301</u>	<u>3,935,002</u>
Total assets		<u><u>6,871,021</u></u>	<u><u>6,814,130</u></u>	<u><u>7,250,172</u></u>	<u><u>7,273,873</u></u>
Equity and liabilities					
Capital and reserves					
Share capital	14	7,193,190	7,193,190	7,193,190	7,193,190
Reserve		27,271	23,197	-	-
(Accumulated losses)/ Retained earnings		<u>(2,318,678)</u>	<u>(2,564,273)</u>	<u>53,475</u>	<u>73,781</u>
Equity attributable to owners of the Company		<u>4,901,783</u>	<u>4,652,114</u>	<u>7,246,665</u>	<u>7,266,971</u>
Non-controlling interests		396,095	426,302	-	-
Total equity		<u>5,297,878</u>	<u>5,078,416</u>	<u>7,246,665</u>	<u>7,266,971</u>
Non-current liabilities					
Bank borrowings	15	271,033	311,208	-	-
Deferred tax liabilities		166	176	-	-
Total non-current liabilities		<u>271,199</u>	<u>311,384</u>	<u>-</u>	<u>-</u>

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Group		Company	
	Note	As at 30.6.2023 USD	As at 31.12.2022 USD	As at 30.6.2023 USD	As at 31.12.2022 USD
Current liabilities					
Trade payables		38,420	46,365	-	-
Other payables		1,129,449	1,246,232	3,484	6,879
Amount due to Directors		105,107	111,627	23	23
Bank borrowings	15	28,968	20,106	-	-
Total current liabilities		<u>1,301,944</u>	<u>1,424,330</u>	<u>3,507</u>	<u>6,902</u>
Total liabilities		<u>1,573,143</u>	<u>1,735,714</u>	<u>3,507</u>	<u>6,902</u>
Total equity and liabilities		<u>6,871,021</u>	<u>6,814,130</u>	<u>7,250,172</u>	<u>7,273,873</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 2023

	Note	Group		Company	
		1.1.2023 to 30.6.2023 USD	1.1.2022 to 30.6.2022 USD	1.1.2023 to 30.6.2023 USD	1.1.2022 to 30.6.2022 USD
Revenue		336,869	276,145	-	-
Cost of sales		<u>(178,371)</u>	<u>(14,382)</u>	<u>-</u>	<u>-</u>
Gross profit		158,498	261,763	-	-
Other operating income		341,724	1,601	88	-
Administration expenses		(170,859)	(133,571)	(19,972)	(17,783)
Selling and marketing expenses		-	(47)	-	-
Other operating expenses		<u>(82,419)</u>	<u>(69,492)</u>	<u>(422)</u>	<u>-</u>
Operating profit/(loss)		246,944	60,254	(20,306)	(17,783)
Finance costs		<u>(7,060)</u>	<u>(6,212)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before taxation		239,884	54,042	(20,306)	(17,783)
Income tax expense		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the financial period, net of tax		239,884	54,042	(20,306)	(17,783)
<u>Other comprehensive (loss)/gain</u>					
Foreign currency translation differences		<u>(20,422)</u>	<u>(14,822)</u>	<u>-</u>	<u>-</u>
Total comprehensive income/ (expenses) for the financial period		<u>219,462</u>	<u>39,220</u>	<u>(20,306)</u>	<u>(17,783)</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 2023

	Note	Group		Company	
		1.1.2023 to 30.6.2023 USD	1.1.2022 to 30.6.2022 USD	1.1.2023 to 30.6.2023 USD	1.1.2022 to 30.6.2022 USD
Net profit/(loss) attributable to:					
Non-controlling interests		(5,711)	6,769	-	-
Owners of the Company		<u>245,595</u>	<u>47,273</u>	<u>(20,306)</u>	<u>(17,783)</u>
Profit/(Loss) for the financial period		<u>239,884</u>	<u>54,042</u>	<u>(20,306)</u>	<u>(17,783)</u>
Total comprehensive attributable to:					
Non-controlling interests		(30,207)	(17,779)	-	-
Owners of the Company		<u>249,669</u>	<u>56,999</u>	<u>(20,306)</u>	<u>(17,783)</u>
Total comprehensive income/ (expenses) for the financial period		<u>219,462</u>	<u>39,220</u>	<u>(20,306)</u>	<u>(17,783)</u>
Profit Per Share					
Basic earnings per share (cents)	17	0.30	0.07	-	-
Diluted earnings per share (cents)	17	<u>0.30</u>	<u>0.07</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 2023

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 2022	7,193,190	(33,268)	(2,390,981)	4,768,941	458,613	5,227,554
Profit for the financial year, net of tax	-	-	47,273	47,273	6,769	54,042
Other comprehensive loss for the financial period	-	9,726	-	9,726	(24,548)	(14,822)
Total comprehensive loss for the financial period	-	9,726	47,273	56,999	(17,779)	39,220
As at 30 June 2022/1 July 2022	7,193,190	(23,542)	(2,343,708)	4,825,940	440,834	5,266,774
Loss for the financial year, net of tax	-	-	(220,565)	(220,565)	(15,426)	(235,991)
Other comprehensive income for the financial period	-	46,739	-	46,739	894	47,633
Total comprehensive loss for the financial period	-	46,739	(220,565)	(173,826)	(14,532)	(188,358)
As at 31 December 2022/1 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 income for the financial period	-	4,074	245,595	249,669	(30,207)	219,462
As at 30 June 2023	<u>7,193,190</u>	<u>27,271</u>	<u>(2,318,678)</u>	<u>4,901,783</u>	<u>396,095</u>	<u>5,297,878</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 2023

	Contributed share Capital USD	Retained earnings USD	Total equity USD
The Company			
As at 1 January 2022	7,193,190	141,600	7,334,790
Total comprehensive loss for the financial period	-	(17,783)	(17,783)
As at 30 June 2022/1 July 2022	7,193,190	123,817	7,317,007
Total comprehensive loss for the financial period	-	(50,036)	(50,036)
As at 31 December 2022/1 January 2023	7,193,190	73,781	7,266,971
Total comprehensive loss for the financial period	-	(20,306)	(20,306)
As at 30 June 2023	7,193,190	53,475	7,246,665

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 2023

	The Group	
	1.1.2023 to 30.6.2023 USD	1.1.2022 to 30.6.2022 USD
Cash flows from operating activities		
Cash used in operations	(121,047)	(50,957)
Finance cost paid	(7,060)	(6,212)
Net cash used in operating activities	<u>(128,107)</u>	<u>(57,169)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(6,160)	(46)
Interest received	1,743	-
Proceeds from disposal of investment properties	893,376	-
Net cash generated from/(used in) investing activities	<u>888,959</u>	<u>(46)</u>
Cash flows from financing activities		
Repayment of borrowings	(21,785)	(20,982)
Net cash used in financing activities	<u>(21,785)</u>	<u>(20,982)</u>
Net increase/(decrease) in cash and cash equivalents	739,067	(78,197)
Cash and cash equivalents brought forward	<u>284,838</u>	<u>292,467</u>
Cash and cash equivalents carried forward	<u><u>1,023,905</u></u>	<u><u>214,270</u></u>
Represented by:		
Cash and bank balances	<u>1,023,905</u>	<u>214,270</u>
Cash and cash equivalents	<u><u>1,023,905</u></u>	<u><u>214,270</u></u>

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2023

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 2023.

(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 2023.

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 2023

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 2023

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 2022	57,903	142,700	839,291	80,328	169,220	257,221	334,820	1,881,483
Addition	-	2,951	-	248	-	-	-	3,199
Translation adjustments	(2,987)	(7,359)	(43,291)	(4,143)	(8,728)	(13,269)	(17,271)	(97,048)
At 31 December 2022	54,916	138,292	796,000	76,433	160,492	243,952	317,549	1,787,634
At 1 January 2023	54,916	138,292	796,000	76,433	160,492	243,952	317,549	1,787,634
Addition	-	1,386	-	-	-	4,774	-	6,160
Translation adjustments	(3,186)	(8,081)	(46,182)	(4,434)	(9,311)	(14,352)	(18,423)	(103,969)
At 30 June 2023	51,730	131,597	749,818	71,999	151,181	234,374	299,126	1,689,825

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2023

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 2022	57,902	139,486	93,254	79,194	169,220	251,754	167,410	958,220
Addition	-	2,263	8,042	977	-	1,889	31,760	44,931
Translation adjustments	(2,987)	(7,195)	(4,811)	(4,085)	(8,728)	(12,987)	(8,640)	(49,433)
At 31 December 2022	54,915	134,554	96,485	76,086	160,492	240,656	190,530	953,718
At 1 January 2023	54,915	134,554	96,485	76,086	160,492	240,656	190,530	953,718
Addition	-	721	7,902	48	-	1,042	15,605	25,318
Translation adjustments	(3,186)	(7,837)	(5,926)	(4,416)	(9,311)	(14,005)	(11,702)	(56,383)
At 30 June 2023	51,729	127,438	98,461	71,718	151,181	227,693	194,433	922,653
<i>Net book value</i>								
At 30 June 2023	1	4,159	651,357	281	-	6,681	104,693	767,172
At 31 December 2022	1	3,738	699,515	347	-	3,296	127,019	833,916

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2023

12. GOODWILL ON CONSOLIDATION

	Group	
	As at 30.6.2023 USD	As at 31.12.2022 USD
At cost:		
At beginning of the financial period/year	1,416,848	1,539,848
Impairment recognised	-	(123,000)
At end of the financial period/year	<u>1,416,848</u>	<u>1,416,848</u>

13. INVESTMENT IN SUBSIDIARIES

	Company	
	As at 30.6.2023 USD	As at 31.12.2022 USD
Unquoted shares, at cost		
At beginning of the financial year	3,338,871	3,338,848
Increase in investment in subsidiary	-	23
At end of the financial year	<u>3,338,871</u>	<u>3,338,871</u>

Details of the direct subsidiary are as follows:

Name of direct subsidiary	Principal place of business	Effective equity interest		Principal Activities
		As at 30.6.2023 %	As at 31.12.2022 %	
Nanopac (M) Sdn. Bhd.*	Malaysia	100	100	- Investment holding - Production and distribution of Nano products
Nanopac Alaska Sdn. Bhd.#	Malaysia	100	100	- Investment holding - Mining and trading in mineral 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 2023

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 30.6.2023 %	As at 31.12.2022 %	
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
Ibam Goldfield Sdn. Bhd. [*]	Malaysia	100	100	- Dormant

^{*} 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.*

14. SHARE CAPITAL

	Group/Company			
	As at 30.6.2023	As at 30.6.2023	As at 31.12.2022	As at 31.12.2022
	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	20,000,000	200,000	20,000,000	200,000
Total	78,816,917	7,193,190	78,816,917	7,193,190

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2023

14. SHARE CAPITAL (Continued)

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.

15. BANK BORROWINGS

	Group	
	As at 30.6.2023 USD	As at 31.12.2022 USD
<u>Current</u>		
Term loans (Secured)	11,109	11,462
Lease liabilities (Note 16)	17,859	8,644
	<u>28,968</u>	<u>20,106</u>
<u>Non-current</u>		
Term loans (Secured)	263,116	288,966
Lease liabilities (Note 16)	7,917	22,242
	<u>271,033</u>	<u>311,208</u>
<u>Total borrowings</u>		
Term loans (Secured)	274,225	300,428
Lease liabilities (Note 16)	25,776	30,886
	<u>300,001</u>	<u>331,314</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2023

15. BANK BORROWINGS (Continued)

Maturities of borrowings (excluding finance lease liabilities):

	Group	
	As at 30.6.2023 USD	As at 31.12.2022 USD
Within one year	8,744	8,096
More than 1 year and less than 2 years	9,439	8,739
More than 2 years and less than 5 years	33,059	30,610
More than 5 years	222,983	252,983
	<u>274,225</u>	<u>300,428</u>

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

	Group	
	As at 30.6.2023 USD	As at 31.12.2022 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 30.6.2023 USD	As at 31.12.2022 USD
At beginning of the financial period/year	30,886	18,508
Addition	6,425	32,944
Repayment of principal	(10,343)	(21,707)
Interest expenses recognised in profit or loss	837	2,095
Translation adjustments	(2,029)	(954)
At end of the financial period/year	<u>25,776</u>	<u>30,886</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)

AS AT 30 JUNE 2023

16. LEASE LIABILITIES (Continued)

	Group	
	As at 30.6.2023 USD	As at 31.12.2022 USD
<u>Current</u>		
Within 1 year	17,859	8,644
<u>Non-current</u>		
More than 1 year and less than 5 years	7,917	22,242
	<u>25,776</u>	<u>30,886</u>

17. 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	
	1.1.2023 to 30.6.2023 USD	1.1.2022 to 30.6.2022 USD
Profit attributable to ordinary equity holder	239,884	54,042
Number of ordinary shares in issue during the financial period	78,816,917	78,816,917
Basic earnings per share	<u>0.30</u>	<u>0.07</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.

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2023

18. RELATED PARTY DISCLOSURES (Continued)

(a) Identities of related parties (Continued)

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.

19. SIGNIFICANT EVENTS DURING REPORTING DATE

Material litigation

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.

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 11 to 14 September 2023 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 2023.