



REVIEW REPORT ON FINANCIAL STATEMENTS

We have reviewed the annexed financial statements of NANOPAC INNOVATION LIMITED, which comprise the statement of financial position as at June 30, 2015, and the statement of comprehensive income and statement of changes in equity for the half year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express a conclusion on the annexed financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 is a limited assurance engagement. The reviewer performs procedures, primarily consisting of making inquiries of management and others within the company, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the company as at June 30, 2015, and of its financial performance for the half year then ended, in accordance with the International Financial Reporting Standard.

Lahore

Dated: **26 AUG 2015**




Yasir Riaz
IQBAL YASIR AND COMPANY
(Chartered Accountants)
Engagement Partner: Yasir Riaz

NANOPAC INNOVATION LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2015

	Note	Un-Audited 30-Jun-15	Audited 31-Dec-14
-----USD-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	987,062	1,413,340
Intangible assets		7,034	7,834
CURRENT ASSETS			
Inventories		42,591	12,315
Trade receivables		4,102,583	1,952,102
Trade deposits and short term prepayments	5	6,564	5,853
Tax refund due from government		477	-
Cash and bank balance		933,628	1,134,182
		5,085,843	3,104,452
		<u>6,079,939</u>	<u>4,525,626</u>
EQUITY AND LIABILITIES			
CAPITAL & RESERVES			
Authorized share capital		14,000,001	14,000,001
Issued, subscribed and paid-up capital		700,000	700,000
Reserves		3,163,825	3,087,075
Share holder's equity		3,863,825	3,787,075
NON-CURRENT LIABILITIES			
Deferred taxation		-	2,653
CURRENT LIABILITIES			
Trade payables		125,176	115,827
HP creditors		-	36,040
Accruals and deposits received		1,681,020	554,777
Amount due to directors		409,918	29,254
		2,216,114	735,898
CONTINGENCIES AND COMMITMENTS	5	-	-
		<u>6,079,939</u>	<u>4,525,626</u>

The annexed notes form an integral part of these condensed interim financial statements


Chief Executive Officer





Director

NANOPAC INNOVATION LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Note	(UN-AUDITED)	
		30-Jun-15	30-Jun-14
		-----USD-----	
Revenue		3,900,313	1,146,935
Cost of sales		(3,170,907)	(635,317)
Gross profit		729,406	511,618
Administrative expenses		499,360	162,004
Selling and marketing expenses		2,004	64,033
Other operating expenses		152,546	41,193
		(653,910)	(267,230)
Operating profit		75,496	244,388
Bargain Purchase Gain		-	2,763,848
Finance cost		-	(2,729)
Profit before tax		75,496	3,005,507
Taxation		2,653	-
PROFIT AFTER TAXATION		78,149	3,005,507
Earning per share - basic and diluted (USD)		0.0011	0.04

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 Chief Executive Officer



 Director



NANOPAC INNOVATION LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Note	(UN-AUDITED)	
		30-Jun-15	30-Jun-14
		-----USD-----	
Profit for the period ended		78,149	3,005,507
Other comprehensive income			
Items that may be reclassified to profit and loss account			
Exchange Gain/(Loss) on translating foreign operations		(1,399)	69,377
Total comprehensive income for the period		76,750	3,074,884

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 Chief Executive Officer




 Director

NANOPAC INNOVATION LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Note	(UN-AUDITED) 30-Jun-15	30-Jun-14
		USD	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		75,496	3,005,507
Adjustments for non-cash and other items:			
Depreciation		426,278	-
Amortization		800	-
Bargain Purchase gain on subsidiary			(2,763,848)
Exchange Gain/(Loss) on translating foreign operations		(1,399)	69,377
		<u>425,679</u>	<u>(2,694,471)</u>
Operating cash flows before working capital changes		501,175	311,036
Changes in working capital			
(Increase) / decrease in current assets			
Inventories		(30,276)	1,057
Trade receivables		(2,150,481)	(272,010)
Trade deposits and short term prepayments		(711)	647,381
Other Receivable		-	-
Tax refund due from government		(477)	-
		<u>(2,181,945)</u>	<u>376,428</u>
Increase / (decrease) in current liabilities			
Trade payables		9,349	141,812
HP creditors		(36,040)	50,627
Accruals and deposits received		1,126,243	121,064
Amount due to directors		380,664	3,780
		<u>1,480,216</u>	<u>317,283</u>
Net cash inflows from operating activities		(200,554)	1,004,747
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		-	(562,188)
Intangibles		-	(7,834)
Cash of subsidiary on acquisition		-	863,268
		<u>-</u>	<u>293,246</u>
Net cash inflow / (outflow) from investing activities		(200,554)	1,297,993
CASH FLOW FROM FINANCING ACTIVITIES			
Shares issued		-	125,000
		<u>-</u>	<u>125,000</u>
Net cash Outflow from Financing Activities		(200,554)	1,422,993
Net increase in cash & cash equivalents		1,134,182	-
Cash & cash equivalents at the beginning of the period		933,628	1,422,993
Cash & cash equivalents at the end of the period		933,628	1,422,993

The annexed notes form an integral part of these condensed interim financial statements

Chief Executive Officer




Director

NANOPAC INNOVATION LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Share capital		Reserves			Total Reserves and equity
	Ordinary	Convertible	Foreign currency translation reserve	Consolidated retained earnings	Total	
	USD					
Balance as on March 07, 2014	-	-	-	-	-	-
Share Capital Issued	500,000	200,000	-	-	-	700,000
Total comprehensive income for the period ended June 30, 2014	-	-	69,377	3,005,507	3,074,884	3,074,884
Balance as at June 30, 2014	<u>500,000</u>	<u>200,000</u>	<u>69,377</u>	<u>3,005,507</u>	<u>3,074,884</u>	<u>3,774,884</u>
Balance as on January 01, 2015	500,000	200,000	61,714	3,025,361	3,087,075	3,787,075
Total comprehensive income for the period ended June 30, 2015	-	-	(1,399)	78,149	76,750	76,750
Balance as at June 30, 2015	<u>500,000</u>	<u>200,000</u>	<u>60,315</u>	<u>3,103,510</u>	<u>3,163,825</u>	<u>3,863,825</u>

The annexed notes form an integral part of these condensed interim financial statements


Chief Executive




Director

NANOPAC INNOVATION LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2015

1. STATUS AND NATURE OF BUSINESS

The group consists of the following companies:

1.1 Holding company

Nanopac Innovation Limited was incorporated under the international Companies Act, 1987 in Samoa as an international company on the March 07, 2014. The registered office of the company is situated at Level 2, Lotemau Centre, Vaea Street, Apia, Samoa. The principal activities of the company are investment holding and engaged in manufacturing, supplying, importing, exporting of nano technology products, photo catalyst power, coating solution and chemical solutions of every description.

1.2 Subsidiary company

Nanopac (M) SDN. BHD. (634805-K) is a private limited liability company incorporated and domiciled in Malaysia. The principal activities of the company are investment holding and engaged in manufacturing, supplying, importing, exporting of nano technology products, photo catalyst power, coating solution and chemical solutions of every description. There have been no significant changes in the nature of these activities during the financial year. The registered office of the company is at 67-1, Jalan Puteri 5/7 Bandar Puteri 47100 Puchong, Selangor Darul Ehsan. The address of the principal place of business of the company is No.27, Jalan Rajawali 2, Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan.

2 PREPARATION AND COMPLIANCE STATEMENTS

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared on a historical cost basis.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary made up to June 30, 2015 using purchase method of accounting.

Under the purchase method of accounting, the cost of the business combination is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity.

At the acquisition date, the cost of the business combination is allocated to identifiable assets, liabilities and contingent liabilities in the business combination which are measured initially at closing values at the acquisition date. The excess of the cost of the business combination over the Group's interest in the net closing value of the identifiable assets, liabilities and contingent liabilities, the Group will:

- a) Reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination;
- b) Recognize immediately in profit or loss any excess remaining after that assessment.

Subsidiaries are consolidated from the acquisition date, which is the date on which the group effectively obtains control, until the date on which the group ceases to control the subsidiaries. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are exercisable are taken into the account.



NANOPAC INNOVATION LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2015

Intragroup balances, transactions and unrealized gains and losses on the intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing consolidated financial statements.

The gain or loss on the disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognized in the consolidated statement of comprehensive income.

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued. Non controlling interest is that portion of the profit or loss and net assets of the subsidiary attributable to the equity interests that are not owned, directly and indirectly through subsidiaries, by the group. It is measured at the Non controlling interest share of the fair value of the subsidiaries identifiable assets and liabilities at the acquisition date and the Non controlling interest share of changes in the subsidiaries equity since that date.

2.3 Statement of compliance

The disclosures made in condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the company for the year ended December 31, 2014.

The condensed interim financial information is unaudited. The Board of Directors of the Company declares that the condensed interim financial information gives a true and fair view of the state of company's affairs.

2.4 ACCOUNTING CONVENTION

This condensed interim financial information has been prepared under the historical cost convention except that investments have been marked to market and are carried at their respective fair values.

2.5 FUNCTIONAL AND PRESENTATION CURRENCY

This condensed interim financial information is presented in United States Dollar (USD) which is the company's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The preparation of these condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of these condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended December 31, 2014.

- 3.2** The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2014.



NANOPAC INNOVATION LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2015

	30-Jun-15	31-Dec-14
Note	-----USD-----	
4 PROPERTY, PLANT AND EQUIPMENT		
Operating assets	<u>987,062</u>	<u>1,413,340</u>

5 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

- There are no contingencies as at the period ended June 30, 2015.
- There are no guarantees given on behalf of the company as the period ended June 30, 2015.

COMMITMENTS

- There are no commitments as at the period ended June 30, 2015

6 GENERAL

Figures have been rounded off to nearest rupee.

7 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 26 Aug 2015 by the board of directors of the company.



 Chief Executive Officer





 Director