

NANOPAC INNOVATION LIMITED

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

**REPORTS AND FINANCIAL STATEMENTS
FOR THE 6-MONTH FINANCIAL PERIOD ENDED
30 JUNE 2026**



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 2026**

2026

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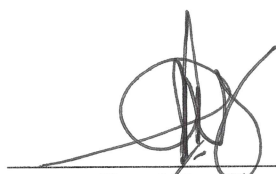
CORPORATE INFORMATION

Board of directors	: Dato' Dr. Cheng Kok Leong Nazrulshah Bin Md Yusop Cheang Soon Siang
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 Sauialino 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

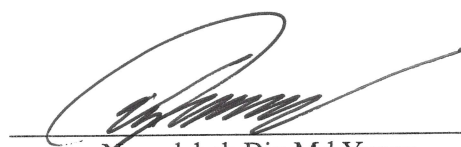
STATEMENT BY DIRECTORS

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 2026 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



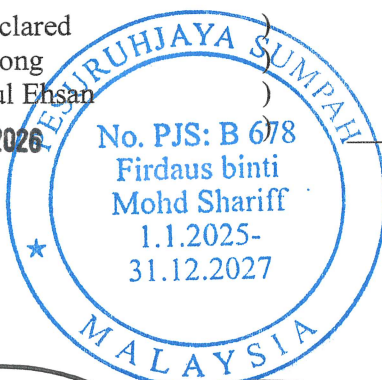
Nazrulshah Bin Md Yusop
Director

Selangor Darul Ehsan, Malaysia
Dated: **10 SEP 2026**

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 2026 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 **10 SEP 2026**
Before me:



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



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 2026, 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 2026, 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
01830/05/2027(J)
Chartered Accountant

Selangor Darul Ehsan, Malaysia
Dated: **10 SEP 2026**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2026

		Group		Company	
	Note	As at 30.6.2026 USD	As at 31.12.2025 USD	As at 30.6.2026 USD	As at 31.12.2025 USD
Assets					
Non-current assets					
Property, plant and equipment	11	765,808	794,697	-	-
Intangible assets		21,962	26,351	-	-
Right-of-use assets		26,571	30,631	-	-
Deferred tax assets		20,345	14,325	-	-
Goodwill	12	1,288,848	1,288,848	-	-
Investments in subsidiaries	13	-	-	3,338,848	3,338,848
Total non-current assets		<u>2,123,534</u>	<u>2,154,852</u>	<u>3,338,848</u>	<u>3,338,848</u>
Current assets					
Inventories		97,061	503,042	-	-
Trade receivables		477,295	320,133	-	-
Other receivables		3,013,634	3,013,735	2,851,433	2,851,433
Prepayments		4,217	34,246	3,480	4,243
Amount due from subsidiaries		-	-	989,787	1,011,271
Amount due from Directors		264,631	291,433	-	-
Amount due from associates		31,420	30,116	-	-
Tax recoverable		12,478	9,584	-	-
Cash and cash equivalents		786,198	887,012	-	-
Total current assets		<u>4,686,934</u>	<u>5,089,301</u>	<u>3,844,700</u>	<u>3,866,947</u>
Total assets		<u><u>6,810,468</u></u>	<u><u>7,244,153</u></u>	<u><u>7,183,548</u></u>	<u><u>7,205,795</u></u>
Equity and liabilities					
Capital and reserves					
Share capital	14	7,193,190	7,193,190	7,193,190	7,193,190
Reserves		(91,635)	(109,117)	-	-
Accumulated losses		(2,788,721)	(2,889,510)	(142,444)	(114,702)
Equity attributable to owners of the Company		<u>4,312,834</u>	<u>4,194,563</u>	<u>7,050,746</u>	<u>7,078,488</u>
Non-controlling interests		771,696	800,532	-	-
Total equity		<u>5,084,530</u>	<u>4,995,095</u>	<u>7,050,746</u>	<u>7,078,488</u>
Non-current liabilities					
Bank borrowings	15	147,468	163,009	-	-
Total non-current liabilities		<u>147,468</u>	<u>163,009</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 2026

		Group		Company	
	Note	As at 30.6.2026 USD	As at 31.12.2025 USD	As at 30.6.2026 USD	As at 31.12.2025 USD
Current liabilities					
Trade payables		202,300	9,264	-	-
Other payables		1,236,955	1,259,603	11,809	6,313
Contract liabilities		-	682,348	-	-
Amount due to Directors		120,993	120,994	120,993	120,994
Bank borrowings	15	18,222	13,840	-	-
Total current liabilities		<u>1,578,470</u>	<u>2,086,049</u>	<u>132,802</u>	<u>127,307</u>
Total liabilities		<u>1,725,938</u>	<u>2,249,058</u>	<u>132,802</u>	<u>127,307</u>
Total equity and liabilities		<u><u>6,810,468</u></u>	<u><u>7,244,153</u></u>	<u><u>7,183,548</u></u>	<u><u>7,205,795</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 2026

	Note	Group		Company	
		1.1.2026 to 30.6.2026 USD	1.1.2025 to 30.6.2025 USD	1.1.2026 to 30.6.2026 USD	1.1.2025 to 30.6.2025 USD
Revenue		745,285	143,380	-	-
Cost of sales		<u>(419,474)</u>	<u>(44,235)</u>	<u>-</u>	<u>-</u>
Gross profit		325,811	99,145	-	-
Other operating income		21,487	85,267	-	-
Administration expenses		(208,996)	(139,427)	(27,308)	(20,519)
Selling and marketing expenses		(4,463)	(6,499)	(37)	(34)
Other operating expenses		<u>(62,230)</u>	<u>(43,182)</u>	<u>(397)</u>	<u>(243)</u>
Operating profit/(loss)		71,609	(4,696)	(27,742)	(20,796)
Finance costs		<u>(1,261)</u>	<u>(4,063)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before taxation		70,348	(8,759)	(27,742)	(20,796)
Income tax expense		<u>6,102</u>	<u>(1,520)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the financial period, net of tax		76,450	(10,279)	(27,742)	(20,796)
<u>Other comprehensive income/(loss)</u>					
Foreign currency translation differences		<u>12,985</u>	<u>(52,569)</u>	<u>-</u>	<u>-</u>
Total comprehensive income/ (expense) for the financial period		<u><u>89,435</u></u>	<u><u>(62,848)</u></u>	<u><u>(27,742)</u></u>	<u><u>(20,796)</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 2026

	Note	Group		Company	
		1.1.2026 to 30.6.2026 USD	1.1.2025 to 30.6.2025 USD	1.1.2026 to 30.6.2026 USD	1.1.2025 to 30.6.2025 USD
Net profit/(loss) attributable to:					
Non-controlling interests		(24,339)	(154)	-	-
Owners of the Company		<u>100,789</u>	<u>(10,125)</u>	<u>(27,742)</u>	<u>(20,796)</u>
Profit/(Loss) for the financial period		<u><u>76,450</u></u>	<u><u>(10,279)</u></u>	<u><u>(27,742)</u></u>	<u><u>(20,796)</u></u>
Total comprehensive income/(expense) attributable to:					
Non-controlling interests		(28,836)	35,508	-	-
Owners of the Company		<u>118,271</u>	<u>(98,356)</u>	<u>(27,742)</u>	<u>(20,796)</u>
Total comprehensive income/(expense) for the financial period		<u><u>89,435</u></u>	<u><u>(62,848)</u></u>	<u><u>(27,742)</u></u>	<u><u>(20,796)</u></u>
Earnings Per Share					
Basic earnings/(loss) per share (cents)	17	0.01	(0.01)	-	-
Diluted earnings/(loss) per share (cents)	17	<u>0.01</u>	<u>(0.01)</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 2026

The Group	Contributed share capital USD	Exchange translation reserves USD	Accumulated losses USD	Sub-total USD	Non- controlling interests USD	Total equity USD
As at 1 January 2025	7,193,190	81,415	(2,524,500)	4,750,105	640,259	5,390,364
Profit for the financial year, net of tax	-	-	(10,125)	(10,125)	(154)	(10,279)
Other comprehensive loss for the financial period	-	(88,231)	-	(88,231)	35,662	(52,569)
Total comprehensive income for the financial period	-	(88,231)	(10,125)	(98,356)	35,508	(62,848)
Changes in ownership interest in a subsidiary	-	-	(5,571)	(5,571)	5,571	-
As at 30 June 2025/1 July 2025	7,193,190	(6,816)	(2,540,196)	4,646,178	681,338	5,327,516
Loss for the financial year, net of tax	-	-	(343,649)	(343,649)	78,409	(265,240)
Other comprehensive loss for the financial period	-	(102,301)	-	(102,301)	35,120	(67,181)
Total comprehensive loss for the financial period	-	(102,301)	(343,649)	(445,950)	113,529	(332,421)
Changes in ownership interest in a subsidiary	-	-	(5,665)	(5,665)	5,665	-
As at 31 December 2025/1 January 2026	7,193,190	(109,117)	(2,889,510)	4,194,563	800,532	4,995,095
Profit for the financial year, net of tax	-	-	100,789	100,789	(24,339)	76,450
Other comprehensive income for the financial period	-	17,482	-	17,482	(4,497)	12,985
Total comprehensive income for the financial period	-	17,482	100,789	118,271	(28,836)	89,435
As at 30 June 2026	<u>7,193,190</u>	<u>(91,635)</u>	<u>(2,788,721)</u>	<u>4,312,834</u>	<u>771,696</u>	<u>5,084,530</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 2026

	Contributed share capital USD	Accumulated losses USD	Total equity USD
The Company			
As at 1 January 2025	7,193,190	(43,214)	7,149,976
Total comprehensive loss for the financial period	-	(20,796)	(20,796)
As at 30 June 2025/1 July 2025	7,193,190	(64,010)	7,129,180
Total comprehensive loss for the financial period	-	(50,692)	(50,692)
As at 31 December 2025/1 January 2026	7,193,190	(114,702)	7,078,488
Total comprehensive loss for the financial period	-	(27,742)	(27,742)
As at 30 June 2026	<u>7,193,190</u>	<u>(142,444)</u>	<u>7,050,746</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 2026

	The Group	
	1.1.2026	1.1.2025
	to	to
	30.6.2026	30.6.2025
	USD	USD
Cash flows from operating activities		
Cash used in operations	(86,652)	(172,746)
Finance cost paid	(1,261)	(4,063)
Net cash used in operating activities	<u>(87,913)</u>	<u>(176,809)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,261)	(1,089)
Purchase of intangible assets	-	(1,050)
Net cash used in investing activities	<u>(1,261)</u>	<u>(2,139)</u>
Cash flows from financing activities		
Repayment to associate	(1,474)	-
Repayment of borrowings	(10,166)	(10,432)
Net cash used in financing activities	<u>(11,640)</u>	<u>(10,432)</u>
Net decrease in cash and cash equivalents	(100,814)	(189,380)
Cash and cash equivalents brought forward	<u>887,012</u>	<u>1,036,563</u>
Cash and cash equivalents carried forward	<u><u>786,198</u></u>	<u><u>847,183</u></u>
Represented by:		
Cash and bank balances	<u>786,198</u>	<u>847,183</u>
Cash and cash equivalents	<u><u>786,198</u></u>	<u><u>847,183</u></u>

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2026

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 2026.

(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 2026.

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 2026

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 2026

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 2025	54,149	102,308	784,877	75,365	158,250	210,545	313,112	1,698,606
Addition	-	3,705	-	4,941	-	-	-	8,646
Written-off	-	(6,485)	-	(2,469)	-	-	-	(8,954)
Translation adjustments	5,547	10,482	80,408	7,721	16,212	21,570	32,077	174,017
At 31 December 2025	59,696	110,010	865,285	85,558	174,462	232,115	345,189	1,872,315
At 1 January 2026	59,696	110,010	865,285	85,558	174,462	232,115	345,189	1,872,315
Addition	-	1,261	-	-	-	-	-	1,261
Translation adjustments	(335)	(618)	(4,859)	(481)	(980)	(1,302)	(1,939)	(10,514)
At 30 June 2026	59,361	110,653	860,426	85,077	173,482	230,813	343,250	1,863,062

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2026

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 2025	54,148	91,950	110,993	75,217	158,250	198,852	250,491	939,901
Addition	-	3,124	8,261	101	-	3,500	32,627	47,613
Written-off	-	(6,479)	-	(2,468)	-	-	-	(8,947)
Translation adjustments	5,547	9,601	11,850	7,712	16,212	20,575	27,554	99,051
At 31 December 2025	59,695	98,196	131,104	80,562	174,462	222,927	310,672	1,077,618
At 1 January 2026	59,695	98,196	131,104	80,562	174,462	222,927	310,672	1,077,618
Addition	-	1,820	4,346	518	-	1,841	17,163	25,688
Translation adjustments	(335)	(551)	(736)	(452)	(980)	(1,253)	(1,745)	(6,052)
At 30 June 2026	59,360	99,465	134,714	80,628	173,482	223,515	326,090	1,097,254
<i>Net book value</i>								
At 30 June 2026	1	11,188	725,712	4,449	-	7,298	17,160	765,808
At 31 December 2025	1	11,814	734,181	4,996	-	9,188	34,517	794,697

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2026

12. GOODWILL ON CONSOLIDATION

	Group	
	As at 30.6.2026 USD	As at 31.12.2025 USD
At cost:		
At beginning of the financial period/year	1,288,848	1,345,848
Impairment recognised	<u>-</u>	<u>(57,000)</u>
At end of the financial period/year	<u>1,288,848</u>	<u>1,288,848</u>

13. INVESTMENT IN SUBSIDIARIES

	Company	
	As at 30.6.2026 USD	As at 31.12.2025 USD
Unquoted shares, at cost		
At beginning and end of the financial period/year	<u>3,338,848</u>	<u>3,338,848</u>

Details of the direct subsidiary are as follows:

Name of direct subsidiary	Principal place of business	Effective equity interest		Principal activities
		As at 30.6.2026 %	As at 31.12.2025 %	
Nanopac (M) Sdn. Bhd.*	Malaysia	100	100	- Investment holding - Production and distribution of Nano products

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2026

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 30.6.2026 %	As at 31.12.2025 %	
Nanopac Innovation Limited ^	Seychelles	51	51	- Production and distribution of Nano products
Nanopac Innovation (M) Sdn. Bhd. *	Malaysia	51	51	- 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 8 April 2025, the Company through its wholly owned subsidiary, Nanopac (M) Sdn. Bhd. disposed of 49 out of 100 ordinary shares in Nanopac Innovation (M) Sdn. Bhd. with a consideration of USD12, decreasing Nanopac (M) Sdn. Bhd.'s equity interest in Nanopac Innovation (M) Sdn. Bhd. from 100% to 51%.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2026

14. SHARE CAPITAL

	Group/Company			
	As at 30.6.2026	As at 30.6.2026	As at 31.12.2025	As at 31.12.2025
	No. of shares	Monetary value USD	No. of shares	Monetary value USD
Issued and fully paid				
<i>Ordinary shares</i>				
At beginning and 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 and 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.

“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.

PAR Value

All shares have a par value of US\$0.001 (2025: US\$0.001). The Company has an authorised capital of US\$14,000,001.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2026

15. BANK BORROWINGS

	Group	
	As at 30.6.2026 USD	As at 31.12.2025 USD
<u>Current</u>		
Term loans (Secured)	6,897	6,415
Lease liabilities (Note 16)	11,325	7,425
	<u>18,222</u>	<u>13,840</u>
<u>Non-current</u>		
Term loans (Secured)	131,117	138,939
Lease liabilities (Note 16)	16,351	24,070
	<u>147,468</u>	<u>163,009</u>
<u>Total borrowings</u>		
Term loans (Secured)	138,014	145,354
Lease liabilities (Note 16)	27,676	31,495
	<u>165,690</u>	<u>176,849</u>

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

	Group	
	As at 30.6.2026 USD	As at 31.12.2025 USD
Within one year	6,875	6,415
More than 1 year and less than 2 years	7,709	6,925
More than 2 years and less than 5 years	37,471	24,254
More than 5 years	85,959	107,760
	<u>138,014</u>	<u>145,354</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2026

15. BANK BORROWINGS (Continued)

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

	Group	
	As at 30.6.2026 USD	As at 31.12.2025 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 30.6.2026 USD	As at 31.12.2025 USD
At beginning of the financial period/year	31,495	37,212
Repayment of principal	(10,133)	(11,316)
Interest expenses recognised in profit or loss	1,263	1,787
Translation adjustments	<u>5,051</u>	<u>3,812</u>
At end of the financial period/year	<u>27,676</u>	<u>31,495</u>
<u>Current</u>		
Within 1 year	11,325	7,425
<u>Non-current</u>		
More than 1 year and less than 5 years	<u>16,351</u>	<u>24,070</u>
Total lease liabilities	<u>27,676</u>	<u>31,495</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
AS AT 30 JUNE 2026

17. EARNINGS PER SHARE

The earnings/(loss) per share is calculated based on the consolidated earnings/(loss) attributable to owners of the Company divided by the weighted average number of shares on issue of 788,169,170 (2025: 788,169,170) shares during the financial period.

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

	Group	
	1.1.2026	1.1.2025
	to	to
	30.6.2026	30.6.2025
	USD	USD
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	788,169,170	788,169,170
Profit/(Loss) for the purpose of calculating basic and diluted earnings/(loss) per share	76,450	(10,279)
Basic earnings/(loss) per share	<u>0.01</u>	<u>(0.01)</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 2026

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	As at	As at	As at
	30.6.2026	31.12.2025	30.6.2026	31.12.2025
	USD	USD	USD	USD
Sales to affiliated companies	-	14,036	-	-
Directors' remuneration	60,354	90,563	-	-
Trade receivables	-	3,113	-	-
Amount due from affiliated company	2,851,433	2,851,433	-	-
Amount due from subsidiary	-	-	989,787	1,011,271
Amount due from associates	31,420	30,116	-	-
Trade payables	(9,211)	(9,264)	-	-
Amount due to affiliated company	(1,218,061)	(1,241,468)	-	-
Consultant fees	29,475	56,844	-	-
Purchases	4,100	-	-	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)

AS AT 30 JUNE 2026

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.

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 initially fixed the full trial of the suit for 8 to 11 October 2024. However, due to one of the plaintiffs being unable to attend and requesting a postponement.

On 7 July 2025, the Shah Alam High Court Judge has struck off 13 Plaintiffs claim against the Subsidiary leaving only 19 Plaintiffs and the matter will go for full trial which is fixed on 1, 2 and 10 October 2025.

The full trial was rescheduled on 25 to 27 February 2026, and it may or may not proceed as a stay of proceedings application has been filed, which is currently being resisted by the defendants. The case management was fixed on 24 February 2026. The full trial is fixed on 25, 29 and 30 June 2026. The matter is now fixed for continued trial from 26 to 28 October 2026.

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 2026.