

BEAVER ENTECH LIMITED
ARBN 606301393

AND ITS SUBSIDIARY COMPANIES
INTERIM FINANCIAL REPORT

FOR THE PERIOD FROM
1 JULY 2017 TO 31 DECEMBER 2017

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Result for Announcement to the Market

Reporting Period : Half year from 1 July 2017 to 31 December 2017

Key Information

	Half-year Ended 31 December 2017 USD \$
Revenue from ordinary activities	Up 4% to 64,658
Loss after tax from ordinary activities attributable to members	Up 191% to (59,224)
Net loss attributable to members	Up 100% to (54,299)

There were no dividends paid or proposed during the period ended in December 2017.

Explanation of Key Information and Dividends

The Group's revenue for the 6 months ended 31 December 2017 was USD\$64,658 which is 4% higher than the 31 December 2016 half year period. Beaver Solutions Sdn Bhd being the operational company reported 6 months loss after tax of USD\$16,741. However, CP Envisol Sdn Bhd and Beaver Entech Limited being the investment holding company in Malaysia and Labuan, Federal Territory of Malaysia respectively incurred total expenses of USD\$42,483 mainly due to ongoing company half yearly expenses. This resulted in group net loss of USD\$59,224 in December 2017.

Net Tangible Assets per Share

Half-year Ended 31 December 2017 Cents/Share = 0.0016

Control Gained or Lost over Its Subsidiaries Companies in the Half-year

A subsidiary Beaver Pineapple Sdn Bhd was incorporated to undertake pineapple planting in Malaysia has been strike off from the Registrar of Companies on 30 November 2017.

Dividend Reinvestment Plans

The Group does not have any dividend reinvestment plans.

Audit / Review of Financial Statement

The attached financial statements have been reviewed for the 6 months period ended 31 December 2017. The review report is attached.

Attachment

The half year financial report of Beaver Entech Limited is attached.

BEAVER ENTECH LIMITED
ARBN 606301393

AND ITS SUBSIDIARY COMPANIES
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

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BEAVER ENTECH LIMITED
ARBN 606301393

STATEMENT BY DIRECTORS

The directors of Beaver Entech Limited state that, in their opinion, the unaudited consolidated financial statements set out on pages 5 to 11 are drawn up in accordance with Malaysia Financial Reporting Standards, MFRS 134: Interim Financial Reporting and International Financial Reporting Standards, IFRS 34: Interim Financial Standards so as to give a true and fair view of the financial position of the Group as of 31 December 2017 and of its financial performance and cash flows of the Group for the period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 12 March 2018.



Dr. Ghauth Bin Jasmon
Director



Ir. Ling Liang Lai
Director

BEAVER ENTECH LIMITED

ARBN 606301393

Unaudited Consolidated Financial Statements

DIRECTOR'S REPORT

The directors present their report together with the financial statements on the consolidated and its subsidiary companies ("herein after referred as the Group") consisting Beaver Entech Limited and its controlled subsidiary companies for the half year ended 31 December 2017.

Directors

The names of directors who held office during or since the end of the half-year:

Dr. Ghauth Bin Jasmon

Ir. Ling Liong Lai

Dr. Tan Kui Chin

Principle Activities

The principle activity of the Company and its Subsidiary is in the provision of anti-corrosion solutions and services to general, marine, oil & gas industries and related engineering products, solutions and services and also bioremediation products and services.

Review of Operations

The Group's revenue for the 6 months ended 31 December 2017 was USD64,658 which 4% higher than the 31 December 2016 half year period. Beaver Solutions Sdn Bhd being the operational company reported 6 months loss after tax of USD16,741. However, CP Envisol Sdn Bhd and Beaver Entech Limited being the investment holding company in Malaysia and Labuan, Federal Territory of Malaysia respectively incurred total expenses of USD42,483 mainly due to ongoing company half yearly expenses. This resulted in group net loss after tax of USD59,224 in December 2017.

The Group has for the moment halted the plans to go into agricultures activities as early planned to focus on the original principal activities.

Auditor's Independence Declaration

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 4 for the half-year ended 31 December 2017.

This director's report is signed in accordance with a resolution of the Board of Directors.

Director 

Ir. Ling Liong Lai

Dated this 12th day of March 2018

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF BEAVER ENTECH LIMITED (LL11860)

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of BEAVER ENTECH LIMITED, which comprise the condensed consolidated statement of financial position as at 31 December 2017, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the statement by directors.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BEAVER ENTECH LIMITED is not in accordance with the Corporations Act 2001, including

- giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and
- complying with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and the Corporation Regulations 2001.

Director's Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that free from material misstatement, whether due to fraud or error.

Auditor Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with International Standards on Review Engagement ISRE 2410 Review of a Financial Report Performed by the Independence Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Malaysian Financial Reporting Standards 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditors of BEAVER ENTECH LIMITED, ISRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of a half-year financial report consists of making enquires, 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 Standard 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

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of BEAVER ENTECH LIMITED, would be in same terms if given to the directors as at the time of this auditor's review report.



T. H. KUAN & CO.
AF 1216
CHARTERED ACCOUNTANTS

Selangor, Malaysia
Date : 12th March 2018



TAN KIM HOR
3014/01/19(J)
CHARTERED ACCOUNTANT

**Auditor's Independence Declaration
to the Directors of BEAVER ENTECH LIMITED**

Auditors Independence Declaration under Section 307 C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, for the half-year ended 31 December 2017, there have been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.



T. H. KUAN & CO.
AF 1216
CHARTERED ACCOUNTANTS



TAN KIM HOR
3014/01/19(J)
CHARTERED ACCOUNTANT

Selangor, Malaysia
Date : 12th March 2018

BEAVER ENTECH LIMITED

ARBN 606301393

Unaudited Consolidated Financial Statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	As at 31 Dec 2017 USD	As at 30 June 2017 USD
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	386,515	369,741
Total non-current assets	<u>386,515</u>	<u>369,741</u>
CURRENT ASSETS		
Inventories	29,587	26,424
Trade receivables	52,300	113,516
Other receivables and prepayment	2,795	2,605
Current tax assets	30,109	34,402
Fixed deposits placed with a licensed bank	86,167	79,138
Cash and bank balances	74,712	57,278
Total current assets	<u>275,670</u>	<u>313,363</u>
TOTAL ASSETS	<u>662,185</u>	<u>683,104</u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	934,501	934,501
Translation reserve	(49,455)	(54,380)
Accumulated losses	(881,237)	(822,013)
SHAREHOLDERS' EQUITY	<u>3,809</u>	<u>58,108</u>
NON-CURRENT LIABILITIES		
Term loans	<u>324,466</u>	<u>317,899</u>
CURRENT LIABILITIES		
Other payables and accruals	13,565	91,063
Amount owing to a Director	90,392	-
Short term borrowings	229,953	216,034
Total current liabilities	<u>333,910</u>	<u>307,097</u>
TOTAL LIABILITIES	<u>658,376</u>	<u>624,996</u>
TOTAL EQUITY AND LIABILITIES	<u>662,185</u>	<u>683,104</u>

The accompanying notes form part of the condensed consolidated financial statements.

BEAVER ENTECH LIMITED

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*Unaudited Consolidated Financial Statements***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JULY 2017 TO 31 DECEMBER 2017**

	Period ended 31 Dec 2017 USD	Period ended 31 Dec 2016 USD
Revenue	64,658	62,238
Cost of revenue	(23,108)	(3,515)
Gross profit	<u>41,550</u>	<u>58,723</u>
Other income	7,174	3,533
Administrative and operating expenses	(88,835)	(74,548)
Loss from operations	<u>(40,111)</u>	<u>(12,292)</u>
Finance costs	(19,113)	(6,817)
Loss before tax	<u>(59,224)</u>	<u>(19,109)</u>
Income tax expense	-	(1,209)
Loss for the period	<u>(59,224)</u>	<u>(20,318)</u>
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
- Exchange translation differences	4,925	(6,791)
Total comprehensive income for the period	<u>(54,299)</u>	<u>(27,109)</u>
 EARNINGS PER SHARE - BASIC AND DILUTED	 <u>(0.0002)</u>	 <u>(0.0001)</u>

The accompanying notes form part of the condensed consolidated financial statements

BEAVER ENTECH LIMITED

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Unaudited Consolidated Financial Statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE PERIOD FROM 1 JULY 2017 TO 31 DECEMBER 2017**

	Share Capital USD	Translation Reserve USD	Accumulated Losses USD	Total USD
As at 1 July 2016	934,501	(45,515)	(699,656)	189,330
Loss for the period	-	-	(20,318)	(20,318)
Other comprehensive income	-	(6,791)	-	(6,791)
Total comprehensive income for the period	-	(6,791)	(20,318)	(27,109)
As at 31 December 2016	934,501	(52,306)	(719,974)	162,221
	Share Capital USD	Translation Reserve USD	Accumulated Losses USD	Total USD
As at 1 July 2017	934,501	(54,380)	(822,013)	58,108
Loss for the period	-	-	(59,224)	(59,224)
Other comprehensive income	-	4,925	-	4,925
Total comprehensive income for the period	-	4,925	(59,224)	(54,299)
As at 31 December 2017	934,501	(49,455)	(881,237)	3,809

The accompanying notes form part of the condensed consolidated financial statements

BEAVER ENTECH LIMITED

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Unaudited Consolidated Financial Statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JULY 2017 TO 31 DECEMBER 2017**

	Period ended 31 Dec 2017 USD	Period ended 31 Dec 2016 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(59,224)	(19,109)
<i>Adjustments for:</i>		
Depreciation	4,188	24,589
Interest expense	19,113	6,817
Interest income	(2,420)	-
Operating (loss)/profit before working capital changes	(38,343)	12,297
Increase in inventories	(1,594)	(4,184)
Decrease in receivables and other receivables	65,234	40,181
Decrease in payables and other payables	(78,981)	(31,149)
Cash (used in)/generated from operations	(53,684)	17,145
Tax refund/(paid)	6,034	(851)
Net cash (used in)/from operating activities	(47,650)	16,294
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short term borrowings	(10,110)	(58,107)
Advance from a Director	90,392	-
Interest paid	(19,113)	(6,817)
Net cash generated from/(used in) financing activities	61,169	(64,924)
Net increase/(decrease) in cash and cash equivalents	13,519	(48,630)
Effect of foreign exchange translation	(7,738)	-
Cash and cash equivalents at beginning of the period	(138,412)	(88,755)
Cash and cash equivalents at end of the period	(132,631)	(137,385)

The accompanying notes form part of the condensed consolidated financial statements

BEAVER ENTECH LIMITED

ARBN 606301393

Unaudited Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JULY 2017 TO 31 DECEMBER 2017

1 BASIS OF PREPARATION

The interim financial statements for the period from 1 July 2017 to 31 December 2017 have been prepared in accordance with requirements of the Corporations Act 2001 and Malaysian Financial Reporting Standards, MFRS 134: Interim Financial Reporting and International Financial Reporting Standards, IFRS 34: Interim Financial Reporting. The Company is a for-profit entity, incorporated and domiciled in Federal Territory of Labuan.

This interim financial statements is intended to provide users with an update on the annual financial statements of Beaver Entech Limited and its subsidiary companies (referred to as the "consolidated group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during the following half-year.

This interim financial statements were authorised for issue on 12th March 2018.

2 SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial period.

2.1 BASIS OF ACCOUNTING

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

2.2 DIVIDENDS

No dividends have been paid or declared during the period.

2.3 BORROWINGS

	As at 31 Dec 2017 USD	As at 30 June 2017 USD
CURRENT		
Bank overdraft	207,343	195,690
Term loan	22,610	20,344
	<u>229,953</u>	<u>216,034</u>

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Unaudited Consolidated Financial Statements

2.3 BORROWINGS (CONT'D)

	As at 31 Dec 2017 USD	As at 30 June 2017 USD
NON CURRENT		
Term loan repayable:		
Later than 1 year but not more than 5 years	88,062	87,036
More than 5 years	236,404	230,863
	<u>324,466</u>	<u>317,899</u>
Total borrowings	<u>554,419</u>	<u>533,933</u>

The bank overdraft is secured as follows:-

- (i) Fixed deposit of a subsidiary;
- (ii) Corporate guarantee given by YGL Sdn. Bhd., a corporation in which two of the Directors have financial interests; and
- (iii) Jointly and severally guaranteed by the Directors of the subsidiary.

The interest rate of the bank overdraft is 2.00% per annum above the lender's base lending rate.

Term loan I with facility limit of RM300,000 (USD74,580) is repayable by 60 equal monthly instalments of RM6,426 (USD1,497) each and Term loan II with facility limit of RM1,275,000 (USD316,967) is repayable by 240 equal monthly instalments of RM8,170 (USD1,903) each.

The term loans are secured as follows:-

- (i) first legal charge over freehold land and building of the subsidiary; and
- (ii) jointly and severally guaranteed by the Directors of the subsidiary.

The effective interest rates of the term loans are ranging from 4.75% to 16.08% per annum.

2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the consolidated statement of Cash flows in made up as follows:-

	31 Dec 2017 USD	31 Dec 2016 USD
Fixed deposits with a licensed bank	86,167	73,655
Cash and bank balances	<u>74,712</u>	<u>49,452</u>
	160,879	123,107
Less: Fixed deposits pledged with a licensed bank	(86,167)	(73,655)
Bank overdraft	<u>(207,343)</u>	<u>(186,837)</u>
	<u>(132,631)</u>	<u>(137,385)</u>

2.5 CONTINGENT LIABILITIES

No contingent liabilities since the date of last annual reporting.

2.6 EVENTS OCCURRING AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since 31 December 2017 that have significantly affected the Group operations in future financial years, the result of those operations in future financial years or the Group state of affairs in future financial years.

2.7 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Company and related party took place at terms and conditions mutually agreed between the parties during the financial period:

Compensation of Key Management Personnel:

	31 Dec 2017 USD	31 Dec 2016 USD
Short-term employee benefits		
- Directors	-	11,705