

**BEAVER ENTECH LIMITED**  
**ARBN 606301393**

**AND ITS SUBSIDIARY COMPANIES**  
**INTERIM FINANCIAL REPORT**

**FOR THE PERIOD FROM**  
**1 JULY 2018 TO 31 DECEMBER 2018**

**BEAVER ENTECH LIMITED**  
**ARBN 606301393**

**AND ITS SUBSIDIARY COMPANIES**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

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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 page 6 to 12 are drawn up in accordance with Malaysian 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 2018 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 13 March 2019.



Dr. Ghauth Bin Jasmon  
**Director**



Ir. Ling Liong 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 2018.

**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, engineering consultancy and also bioremediation products and services.

**Review of Operations**

The Group's revenue for the 6 months ended 31 December 2018 was USD97,967 which 51.5% higher than the 31 December 2017 half year period. Beaver Solutions Sdn Bhd being the operational company reported 6 months profit after tax of USD13,011. 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 USD27,152 mainly due to ongoing company half yearly expenses. This resulted in group net loss after tax of USD14,141 in December 2018.

**Auditor's Independence Declaration**

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2018.

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

Director .....



Ir. Ling Liong Lai

Dated this 13th day of March 2019



**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 and its Subsidiaries (the "Group"), which comprise the condensed consolidated statement of financial position as at 31 December 2018, 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 the Group is not in accordance with the Corporations Act 2001, including

- a. giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and
- b. complying with Malaysian Financial Reporting Standards, MFRS 134: Interim Financial Reporting, International Financial Reporting Standards, IFRS 34: Interim Financial Standards and the Corporation Regulations 2001.

**Directors' 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.

**Auditors' 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 Group's consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Malaysian Financial Reporting Standards MFRS 134: Interim Financial Reporting, International Financial Reporting Standards, IFRS 34: Interim Financial Standards and the Corporation Regulations 2001. As the auditors of the Group, 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 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.

**COMPANY NO.: LL11860**

**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.  
AAL0092  
CHARTERED ACCOUNTANTS

Selangor, Malaysia  
Date : 13th March 2019



TAN KIM HOR  
03014/01/2021J  
CHARTERED ACCOUNTANT

**Auditor's Independence Declaration  
to the Directors of BEAVER ENTECH LIMITED (LL11860)**

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

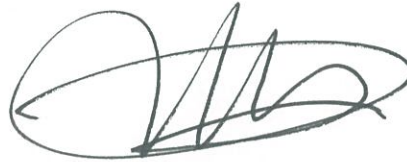
I declare that, to the best of my knowledge and belief, for the half-year ended 31 December 2018, there have been:

- 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,  
AAL0092  
CHARTERED ACCOUNTANTS

Selangor, Malaysia  
Date : 13th March 2019



TAN KIM HOR  
03014/01/2021J  
CHARTERED ACCOUNTANT



**BEAVER ENTECH LIMITED**

ARBN 606301393

Unaudited Consolidated Financial Statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

|  | As at<br>31 Dec 2018<br>USD | As at<br>30 June 2018<br>USD |
|--|-----------------------------|------------------------------|
| <b>ASSETS</b>                              |                             |                              |
| <b>NON-CURRENT ASSET</b>                   |                             |                              |
| Property, plant and equipment              | 374,046                     | 386,150                      |
| Total non-current asset                    | <u>374,046</u>              | <u>386,150</u>               |
| <b>CURRENT ASSETS</b>                      |                             |                              |
| Inventories                                | 20,803                      | 26,549                       |
| Trade receivables                          | 16,633                      | 159,062                      |
| Other receivables and prepayment           | 2,305                       | 2,269                        |
| Current tax assets                         | 32,755                      | 29,150                       |
| Fixed deposits placed with a licensed bank | 87,059                      | 86,668                       |
| Cash and bank balances                     | 78,981                      | 78,113                       |
| <b>Total current assets</b>                | <u>238,536</u>              | <u>381,811</u>               |
| <b>TOTAL ASSETS</b>                        | <u>612,582</u>              | <u>767,961</u>               |
| <b>EQUITY AND LIABILITIES</b>              |                             |                              |
| <b>CAPITAL AND RESERVES</b>                |                             |                              |
| Share capital                              | 934,501                     | 934,501                      |
| Translation reserve                        | (51,716)                    | (47,871)                     |
| Accumulated losses                         | (857,165)                   | (843,024)                    |
| <b>SHAREHOLDERS' EQUITY</b>                | <u>25,620</u>               | <u>43,606</u>                |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                              |
| Term loans                                 | <u>303,304</u>              | <u>309,818</u>               |
| <b>CURRENT LIABILITIES</b>                 |                             |                              |
| Trade payables                             | 28,979                      | 113,490                      |
| Other payables and accruals                | 15,308                      | 26,569                       |
| Amount owing to a Director                 | 100,551                     | 96,384                       |
| Short term borrowings                      | 138,820                     | 178,094                      |
| <b>Total current liabilities</b>           | <u>283,658</u>              | <u>414,537</u>               |
| <b>TOTAL LIABILITIES</b>                   | <u>586,962</u>              | <u>724,355</u>               |
| <b>TOTAL EQUITY AND LIABILITIES</b>        | <u>612,582</u>              | <u>767,961</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 2018 TO 31 DECEMBER 2018**

|   | Period<br>ended<br>31 Dec 2018<br>USD | Period<br>ended<br>31 Dec 2017<br>USD |
|---|---------------------------------------|---------------------------------------|
| Revenue   | 97,967                                | 64,658                                |
| Cost of revenue   | (37,289)                              | (23,108)                              |
| <b>Gross profit</b>   | <b>60,678</b>                         | <b>41,550</b>                         |
| Other income  | 7,483                                 | 7,174                                 |
| Administrative and operating expenses                                     | (66,749)                              | (88,835)                              |
| <b>Profit/(Loss) from operations</b>                                      | <b>1,412</b>                          | <b>(40,111)</b>                       |
| Finance costs   | (15,553)                              | (19,113)                              |
| <b>Loss before tax</b>  | <b>(14,141)</b>                       | <b>(59,224)</b>                       |
| Income tax expense  | -                                     | -                                     |
| <b>Loss for the period</b>  | <b>(14,141)</b>                       | <b>(59,224)</b>                       |
| Other comprehensive income  |                                       |                                       |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |                                       |                                       |
| - Exchange translation differences  | (3,845)                               | 4,925                                 |
| <b>Total comprehensive expense for the period</b>                         | <b>(17,986)</b>                       | <b>(54,299)</b>                       |
| <br><b>EARNINGS PER SHARE - BASIC AND DILUTED</b>                         | <br><b>(0.0001)</b>                   | <br><b>(0.0002)</b>                   |

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 2018 TO 31 DECEMBER 2018**

|  | Share<br>Capital<br>USD | Translation<br>Reserve<br>USD | Accumulated<br>Losses<br>USD | Total<br>USD |
|--|-------------------------|-------------------------------|------------------------------|--------------|
| <b>As at 1 July 2017</b>                               | 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<br>income/(expense) for the period | -                       | 4,925                         | (59,224)                     | (54,299)     |
| <b>As at 31 December 2017</b>                          | <u>934,501</u>          | <u>(49,455)</u>               | <u>(881,237)</u>             | <u>3,809</u> |

|   | Share<br>Capital<br>USD | Translation<br>Reserve<br>USD | Accumulated<br>Losses<br>USD | Total<br>USD  |
|---|-------------------------|-------------------------------|------------------------------|---------------|
| <b>As at 1 July 2018</b>                      | 934,501                 | (47,871)                      | (843,024)                    | 43,606        |
| Loss for the period                           | -                       | -                             | (14,141)                     | (14,141)      |
| Other comprehensive expense                   | -                       | (3,845)                       | -                            | (3,845)       |
| Total comprehensive expense<br>for the period | -                       | (3,845)                       | (14,141)                     | (17,986)      |
| <b>As at 31 December 2018</b>                 | <u>934,501</u>          | <u>(51,716)</u>               | <u>(857,165)</u>             | <u>25,620</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 CASH FLOWS  
FOR THE PERIOD FROM 1 JULY 2018 TO 31 DECEMBER 2018**

|  | Period<br>Ended<br>31 Dec 2018<br>USD | Period<br>ended<br>31 Dec 2017<br>USD |
|--|---------------------------------------|---------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |                                       |                                       |
| Loss before tax  | (14,141)                              | (59,224)                              |
| <i>Adjustments for:</i>                                |                                       |                                       |
| Depreciation   | 2,550                                 | 4,188                                 |
| Interest expense                                       | 15,552                                | 19,113                                |
| Interest income  | (2,548)                               | (2,424)                               |
| Operating profit/(loss) before working capital changes | 1,413                                 | (38,347)                              |
| Decrease/(Increase) in inventories                     | 5,098                                 | (1,594)                               |
| Decrease in receivables and other receivables          | 138,522                               | 65,234                                |
| Decrease in payables and other payables                | (92,632)                              | (78,981)                              |
| Cash generated from/(used in) operations               | 52,401                                | (53,688)                              |
| Interest received                                      | 2,548                                 | 2,424                                 |
| Interest paid  | (6,838)                               | (8,436)                               |
| Tax (paid)/refund                                      | (4,334)                               | 6,034                                 |
| Net cash generated from/(used in) operating activities | 43,777                                | (53,666)                              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>            |                                       |                                       |
| Pledged of fixed deposits                              | (2,540)                               | (2,420)                               |
| Advance from a Director                                | 4,167                                 | 90,392                                |
| Repayment of term loans                                |                                       |                                       |
| - Principal  | (12,471)                              | (10,110)                              |
| - Interest   | (8,714)                               | (10,677)                              |
| Net cash (used in)/generated from financing activities | (19,558)                              | 67,185                                |
| Net increase in cash and cash equivalents              | 24,219                                | 13,519                                |
| Effect of foreign exchange translation                 | 1,697                                 | (7,738)                               |
| Cash and cash equivalents at beginning of the period   | (74,859)                              | (138,412)                             |
| Cash and cash equivalents at end of the period         | (48,943)                              | (132,631)                             |

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 2018 TO 31 DECEMBER 2018****1 BASIS OF PREPARATION**

The interim financial statements for the period from 1 July 2018 to 31 December 2018 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 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 2018, together with any public announcements made during the following half-year.

This interim financial statements were authorised for issue on 13th March 2019.

**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<br>31 Dec 2018<br>USD \$ | As at<br>30 June 2018<br>USD \$ |
|----------------|--------------------------------|---------------------------------|
| CURRENT        |                                |                                 |
| Bank overdraft | 127,924                        | 152,972                         |
| Term loan      | 10,896                         | 25,122                          |
|                | <u>138,820</u>                 | <u>178,094</u>                  |



**BEAVER ENTECH LIMITED**

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Unaudited Consolidated Financial Statements

**2.3 BORROWINGS (CONT'D)**

|   | As at<br>31 Dec 2018<br>USD \$ | As at<br>30 June 2018<br>USD \$ |
|---|--------------------------------|---------------------------------|
| NON-CURRENT                                 |                                |                                 |
| Term loan repayable:                        |                                |                                 |
| Later than 1 year but not more than 5 years | 76,514                         | 77,067                          |
| More than 5 years                           | 226,790                        | 232,751                         |
|   | <u>303,304</u>                 | <u>309,818</u>                  |
| Total borrowings                            | <u>442,124</u>                 | <u>487,912</u>                  |

The bank overdraft is secured as follows:-

- (i) Fixed deposit of a subsidiary;
- (ii) Corporate guarantee given by 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 which is equivalent to USD74,580 is repayable by 60 equal monthly instalments of RM6,426 which is equivalent to USD1,497 each and Term loan II with facility limit of RM1,275,000 which is equivalent to USD316,967 is repayable by 240 equal monthly instalments of RM8,170 which is equivalent to 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 10.35% per annum.

**2.4 CASH AND CASH EQUIVALENTS**

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

|  | Period Ended<br>31 Dec 2018<br>USD \$ | Period Ended<br>31 Dec 2017<br>USD \$ |
|--|---------------------------------------|---------------------------------------|
| Fixed deposits with a licensed bank                  | 87,059                                | 86,167                                |
| Cash and bank balances                               | <u>78,981</u>                         | <u>74,712</u>                         |
|  | 166,040                               | 160,879                               |
| Less: Fixed deposits pledged with a<br>licensed bank | <u>(87,059)</u>                       | <u>(86,167)</u>                       |
|  | 78,981                                | 74,712                                |
| Bank overdraft                                       | <u>(127,924)</u>                      | <u>(207,343)</u>                      |
|  | <u>(48,943)</u>                       | <u>(132,631)</u>                      |

## BEAVER ENTECH LIMITED

ARBN 606301393

Unaudited Consolidated Financial Statements

### 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 2018 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 interim financial statements, the following transactions between the Group and related party took place at terms and conditions mutually agreed between the parties during the financial period:

Compensation of Key Management Personnel:

|                              | Period Ended<br>31 Dec 2018<br>USD \$ | Period Ended<br>31 Dec 2017<br>USD \$ |
|------------------------------|---------------------------------------|---------------------------------------|
| Short-term employee benefits |                                       |                                       |
| - Directors                  | -                                     | -                                     |