



BEAVERENTECH
— LIMITED —

INFORMATION MEMORANDUM

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SECTION 2: IMPORTANT INFORMATION AND NOTICES

THIS INFORMATION MEMORANDUM HAS BEEN PREPARED BY BEAVER ENTECH LIMITED (ALSO REFERRED TO HEREIN AS THE 'COMPANY') IN CONNECTION WITH ITS INTENTION TO APPLY FOR COMPLIANCE LISTING ON THE NSX. NO COPY OF THIS INFORMATION MEMORANDUM HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (ASIC) AS THIS IS NOT A PROSPECTUS OR OTHER DISCLOSURE DOCUMENT REQUIRED TO BE LODGED WITH ASIC UNDER THE CORPORATIONS ACT. NEITHER ASIC NOR THE NSX TAKE RESPONSIBILITY FOR THE CONTENTS OF THIS INFORMATION MEMORANDUM.

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE, OR FORM PART OF, ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY CDIS IN THE COMPANY, IN ANY JURISDICTION, NOR SHALL IT, OR ANY PART OF IT, OR THE FACT OF ITS PUBLICATION FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH OR ACT AS ANY INDUCEMENT TO ENTER INTO ANY CONTRACT THEREFOR. THIS INFORMATION MEMORANDUM MAY BE WITHDRAWN AT ANY TIME BEFORE THE PROPOSED LISTING AND IS SPECIFICALLY SUBJECT TO THE TERMS DESCRIBED IN THIS INFORMATION MEMORANDUM.

THE CDIS OF THE COMPANY HAVE NOT BEEN REGISTERED WITH OR APPROVED OR DISAPPROVED BY THE NSX, NOR HAS THE NSX OR ANY REGULATORY AUTHORITY OF ANY STATE PASSED UPON OR ENDORSED THE MERITS OF THIS LISTING OR THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY HAS NOT BEEN AUTHORIZED BY THE COMPANY OR ITS MANAGEMENT.

APPLICATION FOR LISTING

APPLICATION HAS BEEN/WILL BE MADE FOR LISTING OF THE COMPANY'S CDIS ON THE NSX. THE FACT THAT THE NSX MAY LIST THE CDIS OF THE COMPANY IS NOT TO BE TAKEN IN ANY WAY AS AN INDICATION OF THE MERITS OF THE COMPANY OR THE LISTED CDIS. THE NSX TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS INFORMATION MEMORANDUM, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON ANY PART OF THE CONTENTS OF THIS INFORMATION MEMORANDUM.

IT IS EXPECTED THAT TRADING OF THE CDIS ON THE STOCK MARKET CONDUCTED BY THE NSX, IF GRANTED WILL COMMENCE AS SOON AS PRACTICAL AFTER APPROVAL FOR ADMISSION TO THE OFFICIAL LIST OF THE NSX IS GRANTED AND ALL CONDITIONS (IF ANY) APPLICABLE THERETO HAVE BEEN SATISFIED FOR OFFICIAL QUOTATION.

NOMINATED ADVISOR

THE LISTING NOMINATED ADVISOR ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN (FINANCIAL, LEGAL OR OTHERWISE). IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE COMPANY AND THE TERMS OF THIS INFORMATION MEMORANDUM, INCLUDING THE MERITS AND RISKS INVOLVED. MOREOVER, THE CONTENTS OF THIS INFORMATION MEMORANDUM ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN ATTORNEY, BUSINESS OR TAX ADVISOR FOR LEGAL, BUSINESS OR TAX ADVICE.

DISCLOSURE OF INFORMATION

THIS INFORMATION MEMORANDUM DOES NOT CONTAIN THE INFORMATION THAT WOULD BE CONTAINED IN A PROSPECTUS OR OTHER DISCLOSURE DOCUMENT PREPARED UNDER THE CORPORATIONS ACT. WHILE THIS INFORMATION MEMORANDUM SHOULD BE READ IN ITS ENTIRETY, IT DOES NOT CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY REQUIRE IN INVESTIGATING THE CDIS AND THE COMPANY. PROSPECTIVE INVESTORS SHOULD CARRY OUT THEIR OWN INDEPENDENT INVESTIGATIONS, ANALYSIS AND OBTAIN INDEPENDENT FINANCIAL, TAXATION AND OTHER PROFESSIONAL ADVICE AS NEEDED IN RESPECT OF THE CDIS AND THE COMPANY AND THE INFORMATION REFERRED TO IN THIS INFORMATION MEMORANDUM AND OTHER MATTERS THAT MAY BE RELEVANT TO ITS INVESTMENT DECISION.

EACH PROSPECTIVE INVESTOR CONSIDERING AN INVESTMENT IN THE CDIS MUST MAKE, AND WILL BE TAKEN TO HAVE MADE, ITS OWN INDEPENDENT INVESTIGATION AND ANALYSIS OF THE INFORMATION IN THIS INFORMATION MEMORANDUM AND SHOULD CONSULT THEIR OWN ADVISORS BEFORE INVESTING IN THE COMPANY.

PROSPECTIVE INVESTORS MAY CONTACT THE COMPANY TO OBTAIN A COPY OF THE COMPANY'S ARTICLES OF ASSOCIATION.

UNAUTHORISED REPRESENTATIONS

NO PERSON HAS AUTHORITY TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THE SHARES, CDIS OR THE COMPANY THAT IS NOT CONTAINED IN THE INFORMATION MEMORANDUM. ANY INFORMATION NOT INCORPORATED BY EXPRESS REFERENCE OR SET OUT IN THIS INFORMATION MEMORANDUM MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

RESTRICTIONS

THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS, INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES, ARE REQUIRED, BY THE COMPANY TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTIONS. THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR INVITATION TO BUY OR SELL CDIS OR OTHER MARKETABLE SECURITIES OF THE COMPANY, WHETHER IN AUSTRALIA OR IN ANY OTHER JURISDICTION.

FORWARD LOOKING STATEMENTS

THIS INFORMATION MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS WHICH ARE IDENTIFIED BY WORDS SUCH AS "BELIEVES", "ESTIMATES", "EXPECTS", "INTENDS", "MAY", "WILL", "WOULD", "COULD", OR "SHOULD" AND OTHER SIMILAR WORDS THAT INVOLVE RISKS AND UNCERTAINTIES. THESE STATEMENTS ARE BASED ON AN ASSESSMENT OF PRESENT ECONOMIC AND OPERATING CONDITIONS, AND ON A NUMBER OF ASSUMPTIONS REGARDING FUTURE EVENTS AND ACTIONS THAT, AS AT THE DATE OF THIS INFORMATION MEMORANDUM, ARE EXPECTED TO TAKE PLACE.

SUCH FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, ASSUMPTIONS AND OTHER IMPORTANT FACTORS, MANY OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY, THE DIRECTORS AND MANAGEMENT OF THE COMPANY. THE ACTUAL RESULTS AND FUTURE ACHIEVEMENTS MAY BE

MATERIALLY DIFFERENT FROM THAT EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS.

KEY RISK FACTORS ARE DETAILED IN SECTION 6 OF THE INFORMATION MEMORANDUM. THESE AND OTHER FACTORS COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN ANY FORWARD-LOOKING STATEMENTS. THE COMPANY CANNOT AND DOES NOT GIVE ASSURANCES THAT THE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS INFORMATION MEMORANDUM WILL ACTUALLY OCCUR AND INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS.

ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE COMPANY OR TO PERSONS ACTING ON ITS BEHALF ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS REFERRED TO ABOVE AND CONTAINED ELSEWHERE IN THE INFORMATION MEMORANDUM.

CDIS

THE COMPANY IS INCORPORATED IN THE FEDERAL TERRITORY OF LABUAN, MALAYSIA WHICH DOES NOT RECOGNISE THE CHESS SYSTEM OF HOLDING SECURITIES OR ELECTRONIC TRANSFER OF LEGAL TITLE TO SHARES. TO ENABLE COMPANIES SUCH AS THE COMPANY TO HAVE THEIR SECURITIES CLEARED AND SETTLED ELECTRONICALLY THROUGH CHESS, DEPOSITORY INTERESTS CALLED CHESS DEPOSITORY INTERESTS (CDIS) ARE ISSUED. CDI HOLDERS RECEIVE ALL OF THE ECONOMIC BENEFITS OF ACTUAL OWNERSHIP OF THE UNDERLYING SHARES. CDIS ARE TRADED IN A MANNER SIMILAR TO SHARES OF AUSTRALIAN COMPANIES LISTED ON THE NSX.

CDIS WILL BE HELD IN UNCERTIFICATED FORM AND SETTLED/TRANSFERRED THROUGH CHESS. NO SHARE CERTIFICATES WILL BE ISSUED TO CDI HOLDERS. **SHAREHOLDERS CANNOT TRADE THEIR SHARES ON NSX WITHOUT FIRST CONVERTING THEIR SHARES INTO CDIS.**

EACH CDI REPRESENTS ONE UNDERLYING SHARE. THE MAIN DIFFERENCE BETWEEN HOLDING CDIS AND SHARES IS THAT CDI HOLDERS HOLD THE BENEFICIAL OWNERSHIP IN THE SHARES INSTEAD OF THE LEGAL TITLE. **CDN**, A SUBSIDIARY OF ASX, WILL HOLD THE LEGAL TITLE TO THE UNDERLYING SHARES. THE SHARES UNDERLYING THE CDIS WILL BE REGISTERED IN THE NAME OF CDN AND WILL BE HELD ON BEHALF OF AND FOR THE BENEFIT OF THE CDI HOLDER. CDIS WILL BE CHESS APPROVED FROM THE DATE OF OFFICIAL QUOTATION IN ACCORDANCE WITH THE LISTING RULES AND THE ASX SETTLEMENT OPERATING RULES. THE SHARES UNDERLYING THE CDIS WILL RANK EQUALLY WITH THE SHARES CURRENTLY ON ISSUE IN THE COMPANY. A SUMMARY OF THE KEY RIGHTS ATTACHING TO THE CDIS AND SHARES IS SET OUT UNDER THE HEADING “RIGHTS OF CDI HOLDERS” IN SECTION 14.

CDI HOLDERS CAN CHOOSE TO HAVE THEIR CDIS CONVERTED TO A DIRECT HOLDING OF SHARES, HOWEVER IF THEY DO SO THEY WILL NO LONGER BE ABLE TO TRADE ON NSX. SIMILARLY, SUBJECT TO ANY RESTRICTIONS UNDER APPLICABLE LAW, HOLDERS OF SHARES MAY CHOOSE TO CONVERT THEIR SHARES TO CDIS TO ENABLE THEM ON TRADE ON NSX.

CHESS – CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM

THE COMPANY WILL APPLY FOR ADMISSION TO PARTICIPATE IN CHESS IN ACCORDANCE WITH THE LISTING RULES AND SETTLEMENT RULES CHESS IS OPERATED BY THE ASX SETTLEMENT PTY LTD, A WHOLLY OWNED SUBSIDIARY OF AUSTRALIAN SECURITIES EXCHANGE LTD, IN ACCORDANCE WITH THE

LISTING RULES AND SETTLEMENT RULES. ON ADMISSION TO CHESS, THE COMPANY WILL OPERATE AN ELECTRONIC ISSUER SPONSORED SUB-REGISTER AND ELECTRONIC CHESS SUB-REGISTER. THE TWO SUB-REGISTERS TOGETHER WILL MAKE UP THE COMPANY'S PRINCIPAL REGISTER OF SECURITIES.

UNDER CHESS, THE COMPANY WILL NOT ISSUE CDI CERTIFICATES TO ITS SHAREHOLDERS. INSTEAD, CDI HOLDERS WILL RECEIVE A HOLDING STATEMENT, WHICH SETS OUT THE NUMBER OF CDIS HELD BY THEM. IF THE CDI HOLDER IS BROKER SPONSORED, ASX SETTLEMENT PTY LTD WILL SEND A CHESS STATEMENT.

A HOLDING STATEMENT (WHETHER ISSUED BY THE COMPANY OR CHESS) WILL ALSO PROVIDE DETAILS OF A CDI HOLDER'S HOLDER IDENTIFICATION NUMBER (HIN) (IN THE CASE OF A HOLDING ON THE CHESS SUB-REGISTER) OR SECURITYHOLDER REFERENCE NUMBER (IN THE CASE OF HOLDING ON THE ISSUER-SPONSORED SUB-REGISTER).

FOLLOWING DISTRIBUTION OF THESE INITIAL HOLDING STATEMENTS TO ALL CDI HOLDERS, A HOLDING STATEMENT WILL ONLY ROUTINELY BE PROVIDED TO A CDI HOLDER AT THE END OF ANY SUBSEQUENT MONTH DURING WHICH THE BALANCE OF THE CDI HOLDER'S HOLDING OF CDI'S CHANGES.

RISK FACTORS

FUTURE PROSPECTIVE INVESTORS SHOULD BE AWARE THAT SUBSCRIBING FOR CDIS IN THE COMPANY INVOLVES A NUMBER OF RISKS. THE KEY RISK FACTORS OF WHICH INVESTORS SHOULD BE AWARE ARE SET OUT IN SECTION 6 OF THIS INFORMATION MEMORANDUM. THESE RISKS TOGETHER WITH OTHER GENERAL RISKS APPLICABLE TO ALL INVESTMENTS IN LISTED SECURITIES NOT SPECIFICALLY REFERRED TO, MAY AFFECT THE VALUE OF THE CDIS IN THE FUTURE. ACCORDINGLY, AN INVESTMENT IN THE COMPANY SHOULD BE CONSIDERED SPECULATIVE. INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS BEFORE DECIDING WHETHER TO APPLY FOR CDIS PURSUANT TO THIS INFORMATION MEMORANDUM.

DEFINITIONS

THROUGHOUT THIS INFORMATION MEMORANDUM ABBREVIATIONS AND DEFINED TERMS ARE USED. ABBREVIATIONS AND LEGAL TERMS ARE CONTAINED IN THE GLOSSARY IN SECTION 15 OF THIS INFORMATION MEMORANDUM (DEFINED TERMS ARE GENERALLY IDENTIFIED BY THE UPPERCASE FIRST LETTER).

SUITABILITY OF INVESTMENT AND RISK FACTORS

BEFORE DECIDING TO INVEST IN THE COMPANY BY PURCHASE OF CDIS ON MARKET, FOLLOWING ADMISSION OF THE COMPANY TO THE OFFICIAL LIST OF THE NSX, PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE INFORMATION MEMORANDUM. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL FACTORS IN THE LIGHT OF THEIR PERSONAL CIRCUMSTANCES (INCLUDING FINANCIAL AND TAXATION ISSUES) AND SEEK PROFESSIONAL ADVICE FROM THEIR ACCOUNTANT, STOCKBROKER, LAWYER AND OTHER PROFESSIONAL ADVISER BEFORE DECIDING TO INVEST. THE COMPANY IS UNABLE TO ADVISE ANY PROSPECTIVE INVESTOR ON THE SUITABILITY OR OTHERWISE OF AN INVESTMENT IN THE COMPANY. FOR SUCH ADVICE, EACH PROSPECTIVE INVESTOR MUST CONTACT THEIR OWN INDEPENDENT PROFESSIONAL ADVISER(S).

IF YOU REQUIRE ANY FURTHER INFORMATION PLEASE CONSULT YOUR STOCKBROKER AND OTHER PROFESSIONAL ADVISER.

SECTION 3: CHAIRMAN'S LETTER

The worldwide direct cost of corrosion is estimated at more than 3% of the world's GDP.

Global shipping demands have resulted in unprecedented growth in port expansion, development and rehabilitation. We believe the same scenario applies to Asia and South East Asia, in particular. We see exciting times ahead.

CP Coatings Sdn Bhd, the main subsidiary of Beaver Entech Limited, was established in 2007 to tap into the corrosion protection market especially focusing in the Marine sector. After the initial building of the foundation and the strong cooperation with our ever supportive manufacturer and principal, we were able to make inroads into this market.

Todate we have delivered and executed numerous projects for both the governmental and the private port facilities in Malaysia, Singapore and Indonesia.

In Malaysia, we have completed the corrosion protection of the pile rehabilitation of the LPG and LNG jetties of the Bintulu Port in what we believe could be one of the largest undertakings of this nature. The successful completion of this project put us in a position to move on in this growing market.

CP Coatings Sdn Bhd has also ventured jointly with a new advanced technological waste treatment company to provide corrosion protection services as well as the full engineering services to all their Sewerage, Waste Water and Palm Oil Mill Effluent treatment plants which is expanding out of Malaysia to the SEA countries and beyond.

The Compliance Listing with the NSX will give Beaver Entech Limited the platform for growth as we look beyond our shores to the South East Asian market in both the corrosion protection and the waste water treatment business.

We thank our directors, shareholders, principals, joint venture partners, clients, vendors, bankers and the NSX for all the support and trust in us.

We definitely will Beaver on to fulfil our task to build solutions for the environment together with all of you.

Thank you.

Your Chairman

SECTION 4: INVESTMENT HIGHLIGHTS

Corrosion Protection Industry

The worldwide direct cost of corrosion - essentially materials, equipment, repair, maintenance, and replacement services is estimated to be more than 3% of the world's GDP.

The anti-corrosion or corrosion protection industry is growing especially within the marine sector where ports rehabilitation, expansion and development are experiencing unprecedented growth to cope with global shipping demands.

Corrosion Protection Solutions

The Group is an anti-corrosion solutions service company focused on corrosion control and protection. The Group works closely with industry specialists in the design, testing, research and development of corrosion protection solutions.

The Company is committed to offer dependable, effective and efficient solutions to the various anti-corrosion problems which currently exist.

The anti-corrosion products deployed by the Group have been developed and manufactured to meet the needs of the Cathodic Protection Industry. Our products have been proven by our customers in meeting their most demanding of applications in various light and heavy industries such as:

- Gas, Water and Waste Water Utilities;
- Petroleum and Chemical Industries;
- Telephone Transmission;
- Bridge, Highway, Roofing and Building Construction;
- Marine and Piling Protection; and
- General Factory Maintenance.

Experienced Management and Track Record

Our Board and Management Team comprises of highly qualified and experienced members, including professional engineers, some of whom are members of the corrosion association, NACE, USA and Institute of Corrosion, United Kingdom.

Our Board, management technical team are highly committed in the growth of the business and the financial performance of the Group. Our technical team comprises of experienced professionals in the field of corrosion, research and development.

The technology deployed by the Group are customized to suit the individual site requirement and the solutions provided by the Company in relation to pipelines, ports and marine facilities have been accepted and applied to various governmental and private facilities in Malaysia, Singapore and Indonesia.

Opportunity and Future Business Plan

The development and expansion of ports have risen, fuelled by the increasing demand for shipping in the last few decades. The amount spent annually for corrosion protection or control

in the marine and ports sector is about 1% of the total cost spent for all the sectors in the industry.

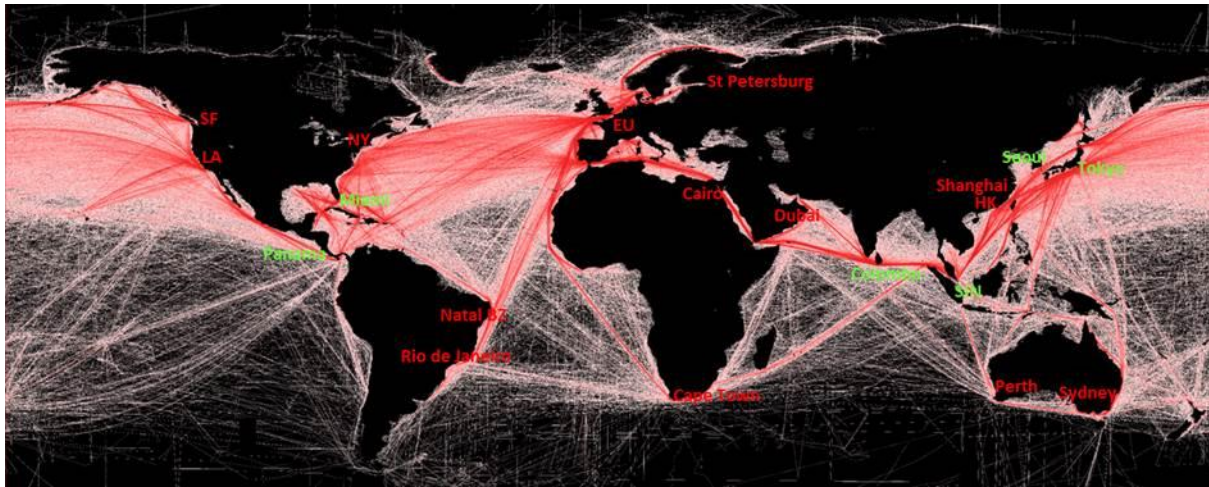


Figure 4.1

The **Red** lines in Figure 4.1 above, indicate the flow of vessels between international ports for the transportation of goods, equipment and persons. The intensity of the volume of vessel traffic flow is shown by the density of **Red** lines.

In view of the above, the business and project opportunities in providing corrosion protection materials and installation methods to protect structures of sea or marine ports around the globe are numerous of which the Company is eager tap into.

In addition to corrosion protection, the Company also plans to expand its Group's business into waste treatment sector together with prominent industry leaders.

The Group's business plan can be summarised as follow:

- To offer our products and services to port development and rehabilitation in Malaysia, then to ASEAN, and subsequently worldwide.
- To work with port facilities management companies to carry out studies and research on customized corrosion protection and its installation methods.
- To set up satellite offices and facilities where higher concentration of our services and activities are required, for example, our office in Bintulu, Sarawak, Malaysia serves 2 ports, Bintulu Port and Samalaju Port in Sarawak, Malaysia and its supporting industries.
- To provide a wider scope of corrosion protection products and services and other port and marine engineering solutions.
- To increase the Group's presence in the environmental industry in the ASEAN region.
- To provide corrosion protection services to the waste water and sewerage treatment system and palm oil mill effluent treatment plants including the full engineering services in the construction and fabrication of these plants.

SECTION 5: INVESTMENT OVERVIEW

The information set out in this Section is not intended to be comprehensive and should be read in conjunction with the full text of this Information Memorandum.

Introduction to the Company

The Company is a limited liability company incorporated in the Federal Territory of Labuan on 8 April 2015. The Company had on 18 June 2015 registered itself as a foreign company pursuant the Corporations Act. The Company became the ultimate parent company of the Group as a result of the Share Exchange Agreement 2 when it acquired CP Envisol Sdn Bhd (“**CPE**”) through a share exchange. CPE is a company incorporated and organized under the laws of Malaysia and has a 100.0% owned subsidiary, “CP Coatings Sdn Bhd” (“**CPC**”).

Under the Share Exchange Agreement 2, the shareholders of CPE exchanged their shares in that company for 70 shares of the Company.

The Shares of the Company

The Company has 233,625,000 Shares on issue as at the date of this Information Memorandum. All of the Shares have been issued to the current Shareholders as fully paid shares.

There is no public market for the Shares nor CDIS of the Company in Malaysia, Australia, the United States, the United Kingdom or any other jurisdiction as at the date of this Information Memorandum.

Investment in the Shares or CDIS involves risks. See “Risk Factors” in Section 6 for more information on the risk related to investing in the Company.

The Company does not have any outstanding convertible debt securities.

Listing

As the Company is a foreign incorporated company, it is the Company’s intention to apply for the CDIs to be listed on the National Stock Exchange of Australia. No securities of the Company or any company within the Group are listed on any other stock exchange. Each CDI held entitles its holders to one underlying Share. All Shares represented by CDIs will entitle the holder to one vote per Share held. CDI Holders receive all of the economic benefits of actual ownership of the underlying shares.

Listing Nominated Advisor

Southasia Advisory Sdn Bhd, a Malaysian company, has been appointed to act as the Company’s NSX Listing Nominated Advisor as required under the NSX Listing Rules. Southasia Advisory Sdn Bhd’s main role is to advice the Company and its directors as to the nature of their responsibilities and obligations under the Listing Rules and to assist the Company in its Compliance Listing on the NSX.

Purpose of Listing and application for Compliance listing in NSX

The Company has the intention of submitting an application to list its CDIs on the NSX by way of a compliance listing. No new capital was raised or is going to be raised or available to the Company as a result of that listing. The listing of the CDIs on the NSX may have favourable consequences for the Company's shareholders who may wish to trade their shares through a stock exchange.

The Directors believe that the listing of the Company's CDIs will assist to raise the profile of the Group thereby enabling a wider range of investors to hold the Company's CDIs. In addition, in the opinion of the Directors, a listing should:

- Enable the Group to raise further capital in connection with its intention to expand business operations, notwithstanding that the Company has sufficient funds to continue its operations as they are now being conducted for a period of at least 24 months from the date of this Information Memorandum;
- Raise the profile of the Group amongst its prospective customers and suppliers thereby permitting the Group to address future opportunities that may arise.

The Directors intend that the Group expands its operations and develops its market share. The Group is in its expansion stage and intends to aggressively do so in the region. To do so will require significant capital which the Group is unable to generate based on its current operations. Accordingly, it is intended that the Company will seek to raise additional capital through issuance of new CDIs in the future and prepare the relevant and necessary documents as required by law or the Listing Rules.

Lock Up

61.16% of the Shares are currently held by a relatively small number of 10 Shareholders that include the Directors of the Company and a representative of the Company's Nominated Adviser. In order to provide potential investors with a certain degree of comfort regarding the longer term expectations of the Company's Shareholders, those shareholders (the "**Escrowed Shareholders**") have agreed to the following Lock Up provisions pursuant to a Lock Up Agreement (the "**Lock Up Agreement**").

To the extent not inconsistent with applicable law, each Escrowed Shareholder will agree not to effect any public or private sale or distribution of their CDIs of the Company, or any securities, options or rights convertible into or exchangeable or exercisable for such CDIs for a period of 12 months from the date that the Company's securities (including the CDIs) are admitted to trading on the NSX and 24 months from the NSX quotation date in the case of the Company's Directors who are Escrowed Shareholders.

The Lock Up will not apply to the extent that an offer is received, from a person or persons not affiliated with any of the Escrowed Shareholders, for the entire issued share capital of the

Company and the Board recommends acceptance of that offer and such offer becomes binding and unconditional on all the Company's Shareholders (including the Escrowed Shareholders).

Litigation

As of the date of this Information Memorandum, the Directors are not aware of any claims or threats of legal action existing in respect to the Company or any member of the Group which would have a material adverse effect on the financial performance of the Company or the Group.

Rights attached to Shares

The Shares which are represented by the CDIs will rank equally in all respects with the Company's Shares. The rights attaching to the Shares are detailed in the Articles of the Company. A summary of the rights and restrictions attaching to the Shares are set out below.

Share Rights

The Company currently only has 233,625,000 fully paid ordinary shares on issue. There are no other classes of shares on issue nor are there any partly paid shares on issue. The rights attaching to ownership of the Shares arise from a combination of the Articles of Association, the Companies Act, the Listing Rules, the Corporations Act and general law.

A brief summary of certain provisions of the Articles of Association and the significant rights attaching to Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of NSX. The Articles of Association of the Company may be inspected during normal business hours at the registered address of the Company.

Subject to the Companies Act, Corporations Act, Listing Rules, and any rights and restrictions attached to a class of shares, the Company may issue or grant options in respect of further shares on such terms and conditions as the Directors resolve.

Alteration of Rights

The rights and restrictions attaching to any class of shares (unless provided by the terms of issue of the shares of that class), can only be varied with the consent in writing of Shareholders with at least three-quarters of the votes in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

Calls

The Board may from time to time call upon Shareholders for unpaid monies on their Shares. If such a call is made, Shareholders are liable to pay the amount of each call in the manner and at the time and place specified by the Board. Such calls may be payable by instalments, as determined by the Board. When a resolution of the Board authorising the call is passed, the call

will be deemed to have been made. It may be revoked or postponed at the discretion of the Board.

Forfeiture and lien

The Company is empowered to forfeit Shares in relation to call which is unpaid following any notice sent to a Shareholder. Such forfeiture must occur in accordance with the Articles of Association, the Companies Act, and the Listing Rules. The Company has a first ranking lien or charge for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a Shareholder's Shares. The lien or charge extends to all dividends, bonuses and other monies payable in respect of the Shares. If the Company registers a transfer of any Shares subject to this lien or charge, the title of the transferee to the Shares is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Shares.

Share Transfers

Shares may be transferred in any manner required or permitted by the Articles and Association, Companies Act, Listing Rules, ASX Settlement Business Rules and by any instrument in writing in any usual or common form or in any other form that the Board approves. The Board may refuse to register a transfer of securities of the Company if permitted or required by the Listing Rules and the ASX Settlement Business Rules.

Share certificates

The provisions of share certificate holdings apply only to the extent that the Company is required by the Companies Act, the Listing Rules or the ASX Settlement Business Rules to issue certificates for Shares or other Marketable Securities of the Company, and then only for those Shares or other Marketable Securities for which certificates are required to be issued.

Meetings

Each Shareholder and Director of the Company is entitled to receive notice of and attend any general meeting of the Company. Three Shareholders in person or by attorney or proxy or representative must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the adjournment, unless the quorum required is present at the start of the business. Annual general meeting are to be held in accordance with the Companies Act and the Listing Rules.

Voting Rights

Each Shareholder has the right to receive notices of and to attend all general meetings of the Company. Subject to restrictions on voting from time to time affecting any class of shares in the Company and any restrictions imposed by the Companies Act, each Share in the Company carries the right to cast one vote on a show of hands and on a poll, one vote for each fully paid Share held and for each partly paid share held, a vote having the same proportionate value as the proportion to which the Share has been paid up. Voting may be in person or by proxy, attorney or representative.

Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in its Memorandum and Articles of Association, if the Listing Rules prohibit an act being done, the act must not be done. Nothing contained in the Articles of Association prevents an act being done that the Listing Rules requires to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Articles of Association to contain a provision and it does not contain that provision, the Articles of Association are deemed to contain that provision. If the Listing Rules require the Articles of Association not to contain a provision and it contains that provision, the Articles of Association is deemed not to contain that provision. If any provision of the Articles of Association is or becomes inconsistent with the Listing Rules, the Articles of Association is deemed not to contain that provision to the extent of the inconsistency. If any of its securities are CHES approved securities, the Company must comply with the requirements of the ASX Settlement Business Rules and the Listing Rules regarding the maintenance of registers, the issuing of holding statements and transfers in relation to its CHES approved securities. If the Company's securities are CHES approved securities, in addition to the CHES subregister, it must provide for an issuer sponsored subregister, or a certificated subregister, or both which are listed on the Exchange.

Share Options

No options exist for the Shares or any other capital of any member of the Group at the date of this Information Memorandum.

Registration of Shares / Trading of Shares

The CDIS have been issued in non-certificated form only. CDIS not subject to escrow may be traded on market, following the Company's admission to the NSX.

Listing

This Information Memorandum is prepared in connection with the application for Compliance Listing of Beaver Entech Limited. It is the Company's intention that the CDIs are listed by way of Compliance Listing of the NSX.

No new CDIs are being offered pursuant to this Information Memorandum.

Transferability of the CDIs

The CDIs are subject to the provisions set out in the Company's Articles of Association applicable to shares of the Company and to any restrictions as set forth therein. As at the time of listing, the CDIs are freely transferable.

Costs & Expenses

Transaction costs and all other directly attributable costs (including listing fees, legal fees and other professional fees) in connection with the Listing are to be paid by the Company from funds from its current operations.

Enquiries

Enquiries should be addressed to the Company at its registered office.

SECTION 6: RISKS OF INVESTMENT

Before deciding whether or not to invest in the Company, prospective investors should consider carefully all of the information set forth in this Information Memorandum and the specific risk factors set out in this Section below and reach their own conclusions, based on their own judgment and upon advice from such financial, legal and/or tax advisers as they have deemed necessary, prior to making any investment decisions.

If any of the risks described below materialize, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow, which, in turn, may cause a decline in the value and trading price of the CDIs.

The risks and uncertainties described below are not the only ones faced by the Group. Additional risks and uncertainties which the Company currently deems immaterial or not presently known may also have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

The orders in which the risks are presented below are not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. All of the risk factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring. These risks should also be considered in connection with the cautionary statement regarding forward-looking information set forth immediately preceding this Section.

Risk Factors

The following summary of Risks relating to the Group is not intended to be a summary of all risks to which the Group is or may be subject. Persons interested in the Company should familiarize themselves with the full text of this Information Memorandum including, without limitation, all of the Risk Factors set out in this Information Memorandum.

Risks relating to the Group

Inherent business risks in the industry may affect our business

The Group is subject to risks inherent to the port, marine and the general industry including but not limited to flood, fire or other natural disasters, adverse climate conditions, downturns in the global, regional and national economies, the entry of new players into the market, changes in law and tax regulations affecting products, increases in labour and/or other changes in business and credit conditions.

Our ability to mitigate these risks depends on various factors, including our ability to stay well-informed of the latest technology related to corrosion protection materials, site and project operations and other developments in the industry. There can be no assurance that we will be able to successfully mitigate the various risks of the industry, or that we will be successful in

implementing our strategies. If we are unable to do so, our business, financial position, results of operations and prospects would be materially and adversely affected.

Loss of Major Supplier

Since 2008, CPC has been appointed the regional distributor by Central Products LLC, USA for their range of corrosion protection products in the ASEAN countries. Any unanticipated termination or loss of this distributorship is likely to interrupt CPC's operations. While, there can be no assurance of the continuity of this distributorship, the Group is of the view that it will not face any major difficulties in securing alternative corrosion protection suppliers and products.

Rapid Technological Changes in the Anti-Corrosion- Industry

The Group operates in a market where the products and services are prone to evolving industry standards and frequent new product introductions and enhancements. The Group's future growth and success would depend on the Group's ability to understand the market requirement and to develop new products and services to meet the needs of the market.

Retention of Personnel

The Group's continued success will depend significantly on the ability, expertise and continued efforts of our existing Directors, Senior Management and other key personnel. The departure of any of these individuals may, to a certain extent, affect the Group's future business operations and financial performance. The Group may be unable to attract and retain its existing Directors, Senior Management and other key management personnel. In addition, the Company may not be able to attract or retain sufficiently skilled employees with suitable technical expertise in the anti-corrosion industry.

Management of Growth

In order to execute the Group's business plan, the Group must grow significantly. This growth will place a significant strain on the Group's personnel, management systems and resources. If the Group does not manage growth effectively, its business, results of operations and financial condition would be materially adversely affected. The Group expects that the number of its employees, including management-level employees, will continue to increase for the foreseeable future. The Group must continue to improve its operational and financial systems and managerial controls and procedures, and it will need to continue to expand, train and manage its workforce. The Group's management may be unable to hire, train, retain, motivate and manage necessary personnel or to identify, manage and exploit existing and potential strategic relationships and market opportunities.

Political and Regulatory Environment

The Group's performance depends in part on political stability and the regulatory environment in Malaysia and the region. If the political and/or regulatory climate alters or stability deteriorates, this could have a material impact on the Group's plans and projected results. The

institution and enforcement of regulations relating to corrosion control and environmental protection and safety and other matters could have the effect of increasing the expenses, and lowering the income or rate of return, as well as adversely affecting the value, of any investment affected thereby.

Possible adverse economic conditions

The financial operations of the Group may be adversely affected by the impact of general economic conditions, by the economic conditions in Malaysia or any other country in which the Group operates or sells in to, by adverse movements in exchange rates or by the deterioration in the financial condition of parties doing business with the Group.

Impact of Law in Governmental Regulation

The Group will need to comply with regulations relating to the marine and general industry. The institution and enforcement of such regulations could have the effect of increasing the expenditure relating to, in lowering the income or rate of return from, as well as adversely affecting the value of the Group's assets.

Gearing

The Group may borrow money and may also acquire new tools and materials and/or invest in projects which are funded in part through borrowings. It is possible that the Group may not be able to support or obtain the benefit of borrowing, in which case the Group's performance may be adversely affected. The Group's investment may be secured on its assets and the Group's interests in its investments may rank behind secured creditors who are funding the projects. A failure to fulfil obligations under any financing documents would permit lenders to demand early repayment of the loan and realize their security. Where the cost of the Group's borrowings exceeds the return on its investments, the borrowings will have a negative effect on the Group's performance.

It is possible that the Group may not be in a position to meet its debt service obligations and, to the extent that it cannot, it risks the loss of some or all of its assets to foreclosure or sale to satisfy its debt obligations.

Delays in obtaining suitable financing may impair the Group's ability to complete projects, develop and expand its operations.

Future Capital Needs and Additional Financing

The Group has limited financial resources and will need to raise additional funds in the future in order to fund the full implementation of its intended business expansion. Any required additional financing may not be available on terms favourable to the Group, or at all. If adequate funds are not available on acceptable terms, the Group may be unable to:

- Complete its planned new investments;
- Successfully promote itself;

- Develop or enhance its services; and
- Respond to competitive pressures.

The absence of additional suitable funding may result in the Company having to delay, reduce or abandon all or part of its intended product development. If additional funds are raised by the Company issuing equity securities, Shareholders will likely experience dilution of their ownership interest to an extent that may be substantial. If additional funds are raised by the Company issuing debt, the Company may be subject to limitations on its operations, including limitations on the payment of dividends to Shareholders including, without limitation, holders of Shares. Failure to generate sufficient funds in the future whether from operations or by raising debt or equity capital may have a material adverse effect on the Group's business prospects, operating results and financial condition.

Fluctuations in Operating Results may negatively impact the Company

The Group's operating results may fluctuate significantly due to a variety of factors that could affect the Group's revenues or expenses in any particular financial period. It is possible that results of operations may be below the expectations of the Company's management and investors. Factors that may affect the Group's operating results include:

- Timing delays;
- Local bureaucracy;
- The ability to employ personnel of suitable capability;
- High rates of inflation; and
- Logistic difficulties.

No Guarantee as to Future Performance

There can be no assurance that the Company will be able to achieve the returns referred to in this Information Memorandum.

Potential Currency Exchange Rates Risk

The Company conducts its business in jurisdictions which could generate revenue, expenses and liabilities in currencies other than the Malaysian Ringgit. As a result, the Company will be subject to the effects of exchange rate fluctuations with respect to any of these currencies.

Competitor Activity

Some of the Company's competitors may have greater resources and the Company may not be able to compete successfully for business opportunities or compete at prices that are sustainable to and for the Group. The Company therefore may at any point be forced to reconsider its strategy.

In the anti-corrosion market, there are many players who offer similar range of products to the customers. As corrosion protection is a highly customized solution, the success depends much on the quality of the solutions and the services level. In the event the service level dropped,

customers will not be able to receive good and appropriate corrosion protection solutions and will adversely affect the performance of the Company.

Loss of clients

Any unanticipated termination or loss of one or more of the clients to the Group could likely interrupt its operations.

Counterparty Risks

The Group is subject to certain business risks with respect to its contractual counterparties, and failure of such counterparties to meet their obligations could cause the Group to suffer losses or otherwise adversely affect its business.

Key Persons Risks

The Group is heavily reliant on its founders and key executives and entities associated with those people. There are certain arrangements whose continuity relies on the support of certain founding directors and others currently related to the Group. In the event that relationships sour or certain individuals move on, the Company and Group's operations may be interrupted and/or determined to be unsustainable in part or whole. Such matters may adversely affect the Group and its business.

We are in a very technically inclined industry and the success of this depends very much on highly knowledgeable, skilled and trained personnel to manage the sales and projects. Currently, we have a stream of suitable and skilled workers to tap into for the Malaysian as well as the ASEAN market.

However, if in the event visa policies were to change to make it more difficult for us to maintain and send workers across borders, our business, results or operations and financial condition would be materially and adversely affected.

Risks associated with being incorporated under the Laws of Labuan, Malaysia

The Company is a company incorporated under the Companies Act; as such laws may be amended from time to time. As a result, the rights of Shareholders will be governed by the Companies Act and the Company's Articles of Association. The rights of Shareholders under the Companies Act may differ from the rights of Shareholders of companies incorporated in Australia. The Corporations Act may provide shareholders of Australian incorporated corporation's rights and protection of which there may be no corresponding or similar provisions under the Labuan Companies Act. As such, if you invest in our CDIs, you may not be accorded with the same level of shareholder's rights and protection that a shareholder of an Australian incorporated company may be accorded under the Corporations Act.

Each of the summaries and explanatory statement is not intended to be and does not constitute legal advice and any person wishing to have advice on the differences between the

Companies Act and Corporation Act and or the laws of any jurisdiction with which he is not familiar, is recommended to seek independent legal advice.

Other Risks

Volatility of the value of the Shares/CDIs

Prior to this Compliance Listing, there has been no public market for our Shares/CDIs. There can be no assurance that an active market for our CDIs will develop or, if developed, that such market will be sustained.

Investors should also be aware that the value of the CDIs may be volatile and may go down as well as up and investors may therefore not recover any or all of their original investment, especially having regard to the Company's plan to seek a future listing, as the market in CDIs may have limited liquidity.

In addition, the price at which investors may dispose of their CDIs may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Investors may realize less than the original amount invested.

Ordinary Shareholder Tax Risk

Investors should take their own tax advice as to the consequences of owning CDIs as well as receiving returns from it. In particular investors should be aware that ownership of CDIs can be treated in different ways in different jurisdictions.

Raising Further Funds

The Company intends to raise additional funds in the future to take advantage of growth and expansion opportunities. Any equity offerings to new investors could result in dilution for existing investors.

Exchange rate fluctuations may adversely affect the value of our Company's dividends

Dividends if any in respect of our Shares will be declared in USD and converted by our Company into AUD for those investors whose Shares are held through CDI. Please refer to the section entitled "Dividend Policy" for more details. Fluctuations in the exchange rate between the AUD and USD will affect, among other things, the AUD value of our Company's dividends, if any, declared in USD and paid in AUD.

We may not be able to pay dividends in the future

Our ability to declare dividends to our Shareholders in the future will be contingent on our future financial performance and distributable reserves of our Company. This is in turn dependent on our ability to implement our future plans, and on regulatory, competitive, technical and other factors, general economic conditions, demand for and selling prices of our services and other factors exclusive to the industry. Any of these factors could have a material

adverse effect pm our business, financial condition and results of operations, and hence there is no assurance that we will be able to pay dividends to our Shareholders.

Further, in the even that we are required to enter into any loan arrangements with any financial institutions, covenants in the loan agreements may also limit when and how much dividends we can declare and pay out.

SECTION 7: DIRECTORS, CORPORATE INFORMATION AND PROFESSIONAL ADVISORS

Directors

Dr. Ghauth Jasmon
Ir. Ling Liong Lai
Dr. Tan Kui Chin

Secretary & Registered Office of the Company:

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Malaysia

Registrar:

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Sydney NSW 2000, Australia

Operational Office of the Company's Subsidiaries:

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Malaysian Legal Advisor:

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SECTION 8: INDUSTRY OVERVIEW

8.1 About Corrosion

Corrosion is the gradual destruction of materials (usually metals) through chemical reaction with their surrounding environment.

Corrosion is commonly regarded as the electrochemical oxidation of metals in reaction with an oxidant, such as oxygen. Rusting, for example, is the formation of iron oxide(s). This is one of the most well-known examples of electrochemical corrosion. Corrosion typically produces oxide(s) or salt(s) of the original metal. Corrosion degrades the useful properties of materials and structures including the strength, appearance and permeability to liquids and gases of the materials and structures.

Many structural alloys corrode merely from exposure to moisture in air, but the process can be strongly affected by exposure to certain substances. Corrosion can be concentrated locally to form a pit or crack, or it can extend across a wide area more or less uniformly corroding the surface.

Because corrosion is a diffusion-controlled process, it occurs on exposed surfaces. As a result, methods to reduce the activity of the exposed surface, such as passivation and chromate conversion, can increase a material's corrosion resistance.

However, some corrosion mechanisms are less visible and less predictable.

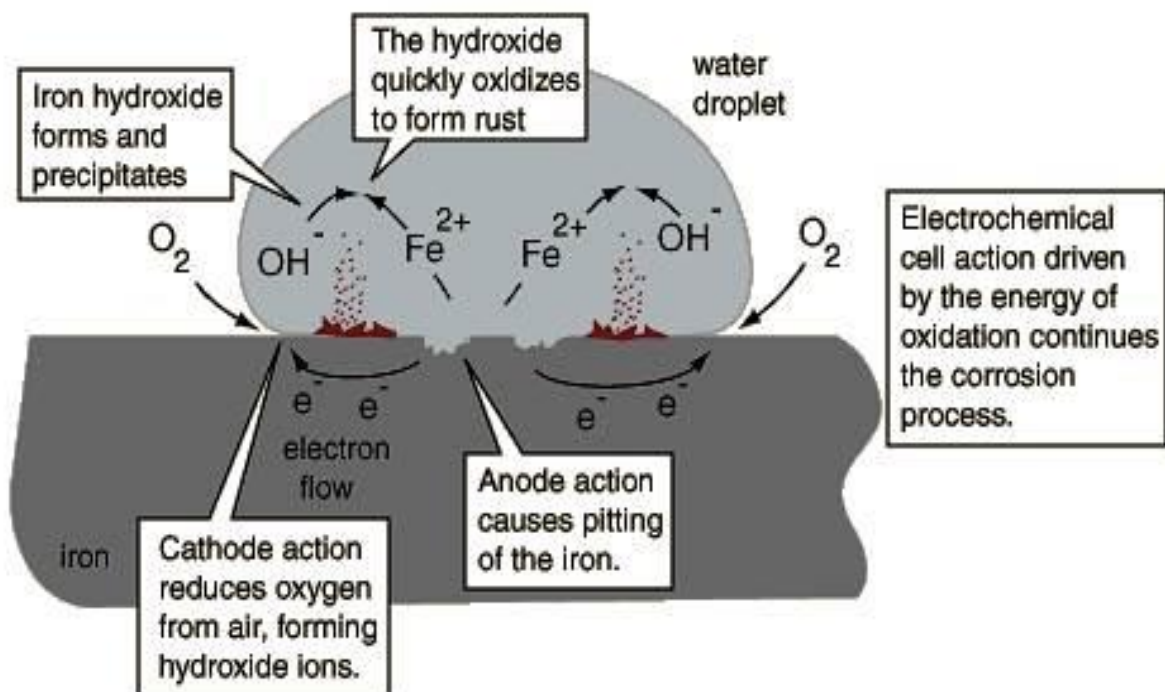


Figure 8.1

8.1.1 The Definition of Corrosion

The word corrode is derived from the Latin *corrodere*, which means “to gnaw to pieces.” The general definition of corrode is to eat into or wear away gradually, as if by gnawing.

For purposes here, corrosion can be defined as a chemical or electrochemical reaction between a material, usually a metal, and its environment that produces a deterioration of the material and its properties. The environment consists of the entire surrounding in contact with the material.

The primary factors to describe the environment are the following:

- (a) Physical state — gas, liquid, or solid;
- (b) Chemical composition — constituents and concentrations; and
- (c) Temperature.

Some other factors which can be important in specific cases are.

- (a) The relative velocity of a solution (because of flow or agitation), and
- (b) The mechanical loads on the material, including residual stress within the material.

The emphasis is on aqueous corrosion or corrosion in environments where water is present. The deterioration of materials because of a reaction with hot gases, however, is included in the definition of corrosion given here. To summarize, corrosion is the deterioration of a metal and is caused by the reaction of the metal with the environment.

With reference to marine corrosion of a pier piling, it means that the steel piling corrodes because of its reaction with the marine environment. The environment is air saturated seawater. The environment can be further described by specifying the chemical analysis of the seawater and the temperature and velocity of the seawater at the piling surface.

The corrosion behaviour of the material depends on the environment to which it is subjected, and the corrosivity of an environment depends on the material exposed to that environment.

It is useful to identify both natural combinations and unnatural combinations in corrosion. Examples of natural or desirable combinations of material and environment include nickel in caustic environments, lead in water, and aluminium in atmospheric exposures. In these environments, the interaction between the metal and the environment does not usually result in detrimental or costly corrosion problems.

The combination is a natural combination to provide good corrosion service.

8.1.2 The Effects of Corrosion

The effects of corrosion in our daily lives are both:

- (a) Direct, in that corrosion affects the useful service lives of our possessions, and
- (b) Indirect, in that producers and suppliers of goods and services incur corrosion costs, which they pass on to consumers.

At home, corrosion is readily recognized on automobile body panels, charcoal grills, outdoor furniture, and metal tools. Preventative maintenance such as painting protects such items from

corrosion. A principal reason to replace automobile radiator coolant every 12 to 18 months is to replenish the corrosion inhibitor that controls corrosion of the cooling system. Corrosion protection is built into all major household appliances such as water heaters, furnaces, ranges, washers, and dryers.

Of far more serious consequence is how corrosion affects our lives during travel from home, to work or school. The corrosion of steel reinforcing bar (rebar) in concrete can proceed out of sight and suddenly (or seemingly so) result in failure of a section of highway, the collapse of electrical towers, damages to buildings, parking structures, and bridges, etc., will result in significant repair costs and endanger public safety. For example, the sudden collapse because of corrosion fatigue of the Silver Bridge over the Ohio River at Point Pleasant, OH in 1967 resulted in the loss of 46 lives and cost millions of dollars.

Perhaps most dangerous of all is corrosion that occurs in major industrial plants, such as electrical power plants or chemical processing plants. Plant shutdowns can and do occur as a result of corrosion. This is just one of its many direct and indirect consequences.

Some consequences are economic, and cause the following:

- Replacement of corroded equipment
- Overdesign to allow for corrosion
- Preventive maintenance, for example, painting
- Shutdown of equipment due to corrosion failure
- Contamination of a product
- Loss of efficiency—such as when overdesign and corrosion products decrease the heat-transfer rate in heat exchangers
- Loss of valuable product, for example, from a container that has corroded through
- Inability to use otherwise desirable materials
- Damage of equipment adjacent to that in which corrosion failure occurs

Still other consequences are social. These can involve the following issues:

- Safety, for example, sudden failure can cause fire, explosion, release of toxic product, and construction collapse
- Health, for example, pollution due to escaping product from corroded equipment or due to a corrosion product itself
- Depletion of natural resources, including metals and the fuels used to manufacture them
- Appearance as when corroded material is unpleasing to the eye

8.1.3 The Many Forms of Corrosion

Corrosion occurs in several widely differing forms. Classification is usually based on one of three factors:

- *Nature of the corrodent:* Corrosion can be classified as “wet” or “dry.” A liquid or moisture is necessary for the former, and dry corrosion usually involves reaction with high-temperature gases.
- *Mechanism of corrosion:* This involves either electrochemical or direct chemical reactions.

- *Appearance of the corroded metal:* Corrosion is either uniform and the metal corrodes at the same rate over the entire surface, or it is localized, in which case only small areas are affected.

Classification by appearance, which is particularly useful in failure analysis, is based on identifying forms of corrosion by visual observation with either the naked eye or magnification. The morphology of attack is the basis for classification. Figure 8.2 illustrates schematically some of the most common forms of corrosion.

Eight forms of wet (or aqueous) corrosion can be identified based on appearance of the corroded metal. These are:

- Uniform or general corrosion
- Pitting corrosion
- Crevice corrosion, including corrosion under tubercles or deposits, filiform corrosion, and poultice corrosion
- Galvanic corrosion
- Erosion-corrosion, including cavitation erosion and fretting corrosion
- Intergranular corrosion, including sensitization and exfoliation
- Dealloying, including dezincification and graphitic corrosion
- Environmentally assisted cracking, including stress-corrosion cracking, corrosion fatigue, and hydrogen damage

In theory, the eight forms of corrosion are clearly distinct; in practice however, there are corrosion cases that fit in more than one category.

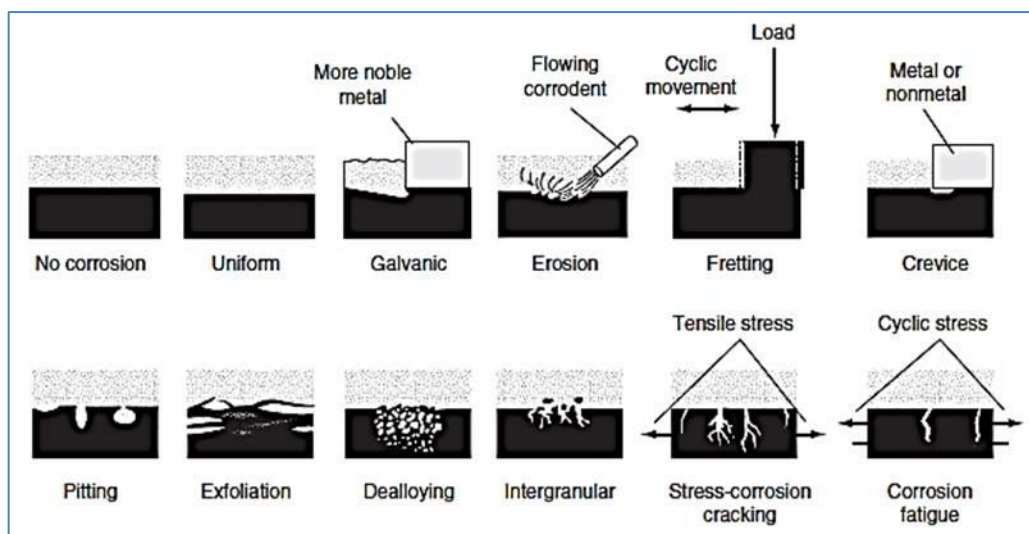


Figure 8.2

Completeness requires further distinction between macroscopically localized corrosion and microscopic local attack. In the latter case, the amount of metal dissolved is minute, and considerable damage can occur before the problem becomes visible to the naked eye. Macroscopic forms of corrosion affect greater areas of corroded metal and are generally observable with the naked eye or can be viewed with the aid of a low-power magnifying device.

Figure 8.3 below classifies macroscopic and microscopic forms of localized corrosion.

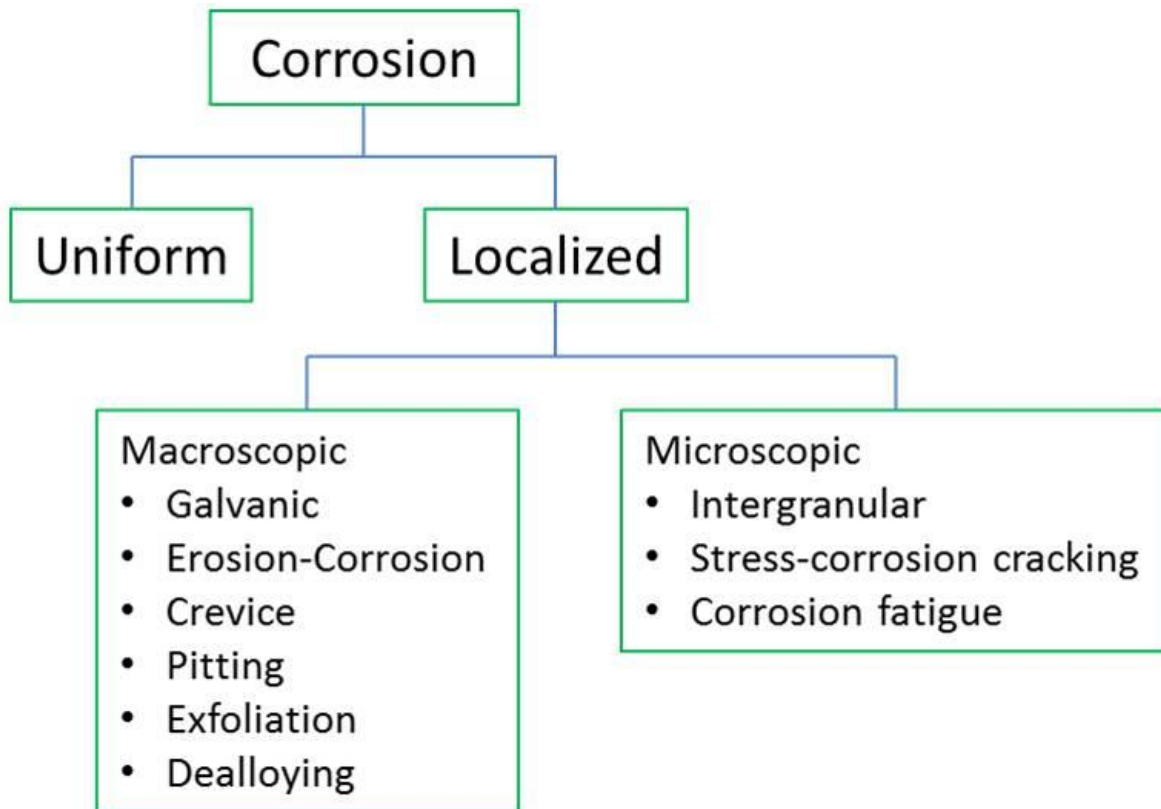


Figure 8.3

8.1.4 Methods to Control Corrosion

There are five primary methods of corrosion control:

- Material selection
- Coatings
- Inhibitors
- Cathodic protection
- Design

8.1.4.1 Material Selection

Each metal and alloy has unique and inherent corrosion behaviour that can range from the high resistance of noble metals, for example, gold and platinum, to the low corrosion resistance of active metals, for example, sodium and magnesium. Furthermore, the corrosion resistance of a metal strongly depends on the environment to which it is exposed, that is, the chemical composition, temperature, velocity, and so forth. The general relation between the rate of corrosion, the corrosivity of the environment, and the corrosion resistance of a material is:

$$\frac{\text{corrosivity of environment}}{\text{corrosion resistance of metal}} = \text{rate of corrosive attack}$$

Figure 8.4

Often there are several competing materials that can meet the corrosion requirements and the material selection process becomes one of determining which of the candidate materials provides the most economical solution for the particular service. Consideration of corrosion resistance is often as important in the selection process as the mechanical properties of the alloy. A common solution to a corrosion problem is to substitute an alloy with greater corrosion resistance for the alloy that has corroded.

8.1.4.2 Coatings

Coatings for corrosion protection can be divided into two broad groups—metallic and non-metallic (organic and inorganic). With either type of coating the intent is the same, that is, to isolate the underlying metal from the corrosive media.

Metallic Coatings. The concept of applying a more noble metal coating on an active metal takes advantage of the greater corrosive resistance of the noble metal. An example of this application is tin-plated steel. Alternatively, a more active metal can be applied, and in this case the coating corrodes preferentially, or sacrificially, to the substrate. An example of this system is galvanized steel, where the sacrificial zinc coating corrodes preferentially and protects the steel.

Organic Coatings. The primary function of organic coatings in corrosion protection is to isolate the metal from the corrosive environment. In addition to forming a barrier layer to stifle corrosion, the organic coating can contain corrosion inhibitors. Many organic coating formulations exist, as do a variety of application processes to choose from for a given product or service condition.

Inorganic Coatings include porcelain enamels, chemical-setting silicate cement linings, glass coatings and linings, and other corrosion resistant ceramics. Like organic coatings, inorganic coatings for corrosion applications serve as barrier coatings. Some ceramic coatings, such as carbides and silicides, are used for wear-resistant and heat resistant applications, respectively.

8.1.4.3 Inhibitors

Just as some chemical species (e.g., salt) promote corrosion, other chemical species inhibit corrosion. Chromates, silicates, and organic amines are common inhibitors. The mechanisms of inhibition can be quite complex. In the case of the organic amines, the inhibitor is adsorbed on anodic and cathodic sites and stifles the corrosion current. Other inhibitors specifically affect either the anodic or cathodic process. Still others promote the formation of protective films on the metal surface.

The use of inhibitors is favoured in closed systems where the necessary concentration of inhibitor is more readily maintained. The increased use of cooling towers stimulated the development of new inhibitor/water-treatment packages to control corrosion and biofouling. Inhibitors can be incorporated in a protective coating or in a primer for the coating. At a defect in the coating, the inhibitor leaches from the coating and controls the corrosion.

8.1.4.4 Cathodic Protection

Cathodic protection suppresses the corrosion current that causes damage in a corrosion cell and forces the current to flow to the metal structure to be protected. Thus, the corrosion or

metal dissolution is prevented. In practice, cathodic protection can be achieved by two application methods, which differ based on the source of the protective current. An impressed-current system uses a power source to force current from inert anodes to the structure to be protected. A sacrificial-anode system uses active metal anodes, for example, zinc or magnesium, which are connected to the structure to provide the cathodic-protection current.

8.1.4.5 Design

The application of rational design principles can eliminate many corrosion problems and greatly reduce the time and cost associated with corrosion maintenance and repair. Corrosion often occurs in dead spaces or crevices where the corrosive medium becomes more corrosive. These areas can be eliminated or minimized in the design process. Where stress-corrosion cracking is possible, the components can be designed to operate at stress levels below the threshold stress for cracking.

Where corrosion damage is anticipated, design can provide for maximum interchangeability of critical components and standardization of components. Interchangeability and part standardization reduce the inventory of parts required. Maintenance and repair can be anticipated, and easy access can be provided. Furthermore, for the large items that are critical to the entire operation, such as primary pumps or large fans, redundant equipment is installed to permit maintenance on one unit while the other is operating. These practices are a sampling of rational design principles.

8.1.5 Opportunities in Corrosion Control

The massive costs of corrosion provide many opportunities to users, manufacturers, and suppliers. Opportunities exist to reduce corrosion costs and the risks of failure, and to develop new and expanded markets. Examples of these opportunities and the means to implement a program to capitalize on the opportunities are presented in Table 8.1 below.

The costs of corrosion vary considerably from industry to industry; however, substantial savings are achievable in most industries. The first step in any cost-reduction program is to identify and quantify the present costs of corrosion. Based on this analysis and a review of the present status of corrosion control in the industry, priorities can be determined and the most rewarding cost-reduction projects pursued.

Risk of corrosion failure can be lowered in the producer's facility and in its products. Both process and products can be analyzed to identify the areas where corrosion failures can occur. Once identified, the risk of failure can be evaluated from the perspectives of impact on safety, product liability, avoidance of regulation, and loss of goodwill. Where risks are too great, technological changes can be implemented to reduce the risk. Evaluation also can identify areas where technological advances are required in the industry.

Increased consumer awareness of corrosion provides a competitive advantage for products with improved corrosion resistance. Through the application of existing or emerging technologies to products or services, advances are being made in all methods for corrosion control: material selection, coatings, inhibitors, cathodic protection, and design. Market opportunities are to be found in the transfer of existing technology to other industries.

Opportunity	Examples	Implementation
Reduce corrosion costs	Lower maintenance and repair costs Extended useful lives of equipment and buildings Reduction of product loss from corrosion damage	Identify all corrosion costs by review of total processes, equipment, and buildings Quantify corrosion costs Implement plan to reduce costs
Lower risk of failure	Safety Product liability Avoidance of regulation Loss of goodwill	Review process and products for exposure to risk Evaluate risk and consequences of failure Lower exposure by technology change
Develop new and expanded markets	Coatings Alloys Inhibitors Corrosion monitors	Apply emerging technology Develop competitive advantage by more corrosion-resistant product Transfer existing technology to other industries

Table 8.1

8.1.6 The Economic Impact of Corrosion

Corrosion has a huge economic and environmental impact on virtually all facets of the world's infrastructure, from highways, bridges and buildings to oil and gas, chemical processing, and water and wastewater systems. In addition to causing severe damage and threats to public safety, corrosion distracts operations and requires extensive repairs and replacement of failed assets. The annual cost of corrosion is estimated to be more than 3% of the world's GDP.

8.1.6.1 Factors Influencing Corrosion.

Some of the factors that influence corrosion and its costs are shown in Table 8.2. Corrosion costs are reduced by the application of available corrosion technology, which is supported by technology transfer. New and improved corrosion technology results from research and development. The proper application of methods to control corrosion (e.g., coatings, inhibitors, and cathodic protection) reduces the cost of corrosion. The costs of corrosion tend to increase with such factors as deferred maintenance and extended useful lives of buildings and equipment. Increased corrosion costs are often realized when higher-performance specifications and more hostile environments are encountered.

Finally, increased corrosion costs result from government regulations that prohibit the use of time-honoured methods of protection because of safety or environmental damage. For example, in an effort to reduce smog, the elimination of lead-based paints on houses and bridges, chromate inhibiting paints on aircraft, and oil-based paints throughout industry has had severe repercussions. Substitute water-based paints have not, in many cases, afforded equivalent corrosion protection.

8.1.6.2 Cost Elements

Although costs vary in relative significance from industry to industry, several generalized elements combine to make up the total cost of corrosion. Some are readily recognized; others are less recognizable.

In manufacturing, corrosion costs are incurred in the product development cycle in several ways, beginning with the materials, energy, labour, and technical expertise required to produce a product. For example, a product can require painting for corrosion protection. A corrosion resistant metal can be chosen in place of plain carbon steel, and technical services can be required to design and install cathodic protection on a product. Additional heat treatment can be needed to relieve stresses for protection against stress-corrosion cracking.

Other operating costs are affected by corrosion as well. Corrosion inhibitors, for example, often must be added to water treatment systems. Portions of maintenance and repair costs can be attributed to corrosion, and corrosion specialists are often employed to implement corrosion control programs.

Capital costs also are incurred because of corrosion. The useful life of manufacturing equipment is decreased by corrosion. For an operation that is expected to run continuously, excess capacity is required to allow for scheduled downtime and corrosion-related maintenance. In other instances, redundant equipment is installed to enable maintenance on one unit while processing continues with another unit.

For the end user or consumer, corrosion costs are incurred for purchases of corrosion prevention and control products, maintenance and repair, and premature replacement.

The original Battelle/NIST study identified ten elements of the cost of corrosion:

- Replacement of equipment or buildings
- Loss of product
- Maintenance and repair
- Excess capacity
- Redundant equipment
- Corrosion control
- Technical support
- Design
- Insurance
- Parts and equipment inventory

Elements of cost of corrosion:

Element of cost	Example
Replacement of equipment or buildings	Corroded pressure vessel
Loss of product	Corrosion leak
	Corrosion contamination of product
	Corrosion during storage
Maintenance and repair	Repair corroded corrugated metal roof
	Weld overlay of chemical reaction tank
	Repair pump handling corrosive slurry—erosion and corrosion
	Scheduled downtime for plant in continuous operation, for

	example, petroleum refinery Installation of three large fans where two are required during operation
Redundant equipment	
Corrosion control: Inhibitors Organic coatings Metallic coatings Cathodic protection	Injection of oil wells Coal tar on exterior of underground pipeline Paint on wooden furniture Topcoat on automobile—aesthetics and corrosion Zinc-rich paint on automobile Galvanized steel siding Chrome-plated faucets—aesthetics and corrosion
Technical support:	Cathodic protection of underground pipelines Corrosion-resistant alloy development Materials selection Corrosion monitoring and control
Design: Material of construction for structural integrity	Stainless steel for corrosive applications Stainless steel for high-temperature mechanical properties High alloy to prevent corrosion products contamination, for example, drug industry
Material of construction	Thicker wall for corrosion
Corrosion allowance Special processing for corrosion resistance	Stress relief, shot peening, special heat treatment (e.g. Al alloys) for corrosion Portion of premiums on policy to protect against loss because of corrosion (to cover charge of writing and administering policy, not protection amount)
Insurance	Pumps kept on hand for maintenance, for example, chemical plant inventory
Parts and equipment inventory	

Table 8.2

8.2 Industry Outlook

The corrosion is typically found on piers and docks, bulkheads and retaining walls, mooring structures, and navigational aids of waterways and ports. Based on the information from U.S Army Corps of Engineers and the U.S. Coast Guard, an estimate of less than 1% has been spent on corrosion protection on waterways and ports. The amount spent is relatively insignificant compare to the total estimated annual spending, which has attained greater public awareness and created good business opportunity and industry outlook for corrosion protection industry.

With the rapid global modernization and industrialization, ports have become a powerhouse of economic activity and represent nations' gateway to global trade. Ports serve as the point of intersection to the country's rivers, waterways and inland and deepwater ports. They allow crops grown in China to be transported for food aid or to be sold all around the world. Iron ore mined in Australia is shipped to Japan, U.S. or China for commercial & industrial production and the final products will then be exported to international markets, and coal in Indonesia is shipped throughout the world where the coal-fired power stations are located to generate electricity for mankind.

Ports are a vital source of economic development for the counties in which they are located. Depending on their size, they can support hundreds to thousands of direct jobs, and generate millions of dollars in economic activity. Most of the countries in the world have invested heavily in ports development and maintenance. According to the 2007 Census of Governments, counties across the U.S. spent up half of billion annually for the development, operation, maintenance and support of waterways and ports.

Activity at ports is expected to grow, especially as a result of the expansion of the Panama Canal. Expected to be completed by 2015, the expansion will double the capacity of the Panama Canal and increase both the number and size of ships passing through. Post-expansion, ships using the canal will be twice their current size, transporting an extra 4.4 to 8 million containers each year. By 2020, the total amount of cargo transported through U.S. ports will grow by more than 50 percent compared to 2001 amounts. This increase is expected to have significant impacts on the U.S. economy, infrastructure and environment.

As port activity will continue to increase in the coming years to transport millions of tons of products internationally, their development and operations are not without environmental concerns. The environment concerns and impacts such as:

- Reliant on ships, trucks and cargo equipment that are powered by diesel engines impacts air quality.
- Ballast and bilge water impacts water quality and water ecosystems.
- Corrosion on ports' structures endangers public safety and disturbs water quality.

Government and port authorities have made aware of the concerns and will take steps to ensure that they minimize their ports' environmental impact. Ports will remain its competitiveness in the global communities as the doors for countries to get connected internationally for goods importing and exporting, and its sustainability of operations will be supported by creating and sustaining employment opportunities; improving local infrastructure; improving air and water quality; and minimizing environmental degradation to habitats and wildlife.

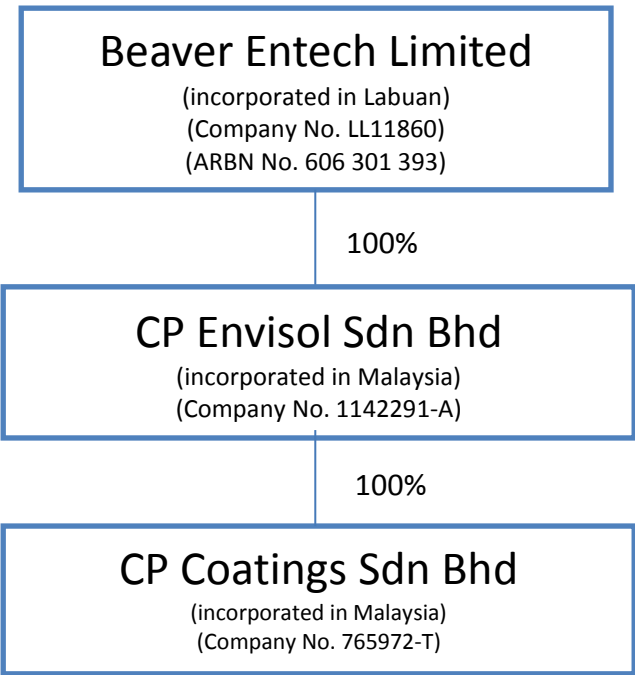
SECTION 9: COMPANY OVERVIEW

9.1 COMPANY STRUCTURE

CP Envisol Sdn Bhd (“**CPE**”) entered into the Share Exchange Agreement 1 in which 100% of the shares of CP Coatings Sdn Bhd (“**CPC**”) were exchanged for 100% of the shares of CPE. Each shareholder on record at the date of the transfer received 3 shares of CPE for every share they held in CPC.

Subsequently, the Company entered into the Share Exchange Agreement 2 in which 100% of the shares of CPE were exchanged for 100% of the Shares of the Company. Each shareholder on record at the date of the transfer received 70 Shares of the Company for every share they held in CPE. Consequently, all present and future interests and benefits of CPE belong to the Company as of the completion of the Share Exchange Agreement 2.

The extract of the Audited Financial Statements for the financial year ending 30 June 2014 for CPC and the extract of the unaudited management accounts for the period ending 31 March 2015 for CPC are set out in Section 12 of this Information Memorandum.



9.2 About the Company

CP Coatings Sdn Bhd (CPC) was established on 16 March 2007 in Malaysia.

On 1 March 2008, CPC was appointed as the regional distributor by Central Plastics Company (now known as Central Products LLC, USA/Central Products (Tianjin) Co Ltd for their range of corrosion protection products in the ASEAN countries.

On 9 January 2015, CPC entered into a joint-venture agreement with Ronser Bio-tech Sdn Bhd, to provide corrosion protection materials and services as well as Engineering, Procurement, Construction & Commissioning (EPCC) services to their sewer, waste, palm oil mill effluent (POME) water treatment plants in the South East Asia Region.

On 22 January 2015, CPC was appointed by Electronic Pipeline Technology Ltd as their authorized distributor of the EP-TECH range of CIPS, DCVG & GPCM Pipeline Surveyor Corrosion Control Equipment.

We position ourselves to building solutions for the environment.

9.2.1 Company Logo



The BEAVER is a primarily nocturnal, large, semi-aquatic rodent known for building dams, canals, lodges and is famed for its industriousness and building skills.

The name and the logo were adopted to represent ingenuity, innovativeness and industriousness of the Company.

9.3 Related Industry Experience, Research and Development

Since the inception of CPC in 2007, the founder members and its management together with its product principal, Central Plastics Company Limited (currently, Central Products LLC, USA/Central Products (Tianjin) Co. Ltd) contributed their time and expertise to create and promote awareness on corrosion protection products professionalism in the industry.

CPC has received and has been awarded various contracts and to prove the capability of the corrosion protection system of the Company, our project site have been visited and tested by the government and governance authorities.

9.3.1 CASE STUDY – A Proof of Technical & Products Capability, TLDM, Lumut, Malaysia

Location: Jetty of TLDM (Royal Malaysia Navy), Lumut, Perak, Malaysia
Description: To install corrosion protection system on splash zone of 105 numbers of steel piles
Material Used: SPLASHpro M-1 80 System comprising of STACprime UW, STACfill, STACwrap (150mm & 30 mm width), STACguard, SS317L band (12.5mm/0.76mm) and SS316 Buckle
Manufactured by: Central Products LLC, USA
Promoter: CP Coatings Sdn Bhd

- Installation Date: In early 2007, the SPLASHpro M1-80 system was supplied and installed at the armory jetty of the Royal Malaysian Navy base in Lumut.
- Inspection date: In March 2015, after 8 years of installation, a thorough inspection was conducted on the installations including opening up the system to inspect the conditions of the anti-corrosion protection system, the products and the protected surfaces.

In early 2007, the SPLASHpro M1-80 system was supplied and installed at the armory jetty of the Royal Malaysian Navy base in Lumut. The Photos shown the process of installation of corrosion protection on the jetty.



Condition of steel piles after 8 years of installation



Installation of STACwrap on steel pile – 8 years ago (2007)



Cutoff Section of STACwrap – Inspection on March 2015



Steel Pile Surface is in *good condition* - (March 2015)

The Results:

- The system and products are seen to perform accordingly
- The steel piles surfaces remain unchanged over the 8 years, meaning that corrosion has successfully and effectively been arrested
- The installation was generally all intact despite having no maintenance for 8 years.

From the inspection, it was shown that the system and the products performed accordingly. It is a great testimony of the performance of the materials and applications and the Owner's Engineer, the Public Works Department is satisfied with the performance.

9.4 Board of Directors and their Interests

Director Name	Position	Nationality Citizenship	Shareholding as at the date of this Information Memorandum	
			Direct (%)	Indirect (%)
Dr. Ghauth Bin Jasmon, Tan Sri Datuk	Non-Executive Chairman	Malaysian	1,000,000 (0.43%)	-
Ir. Ling Liong Lai	Executive Director and CEO	Malaysian	72,495,000 (31.03%)	47,000,000 (20.12%)#
Dr. Tan Kui Chin	Executive Director	Malaysian	45,000,000 (19.26%)	74,495,000 (31.89%)*

Notes:

Ir. Ling Liong Lai is deemed interested in the shareholdings of:

- his wife, Dr. Tan Kui Chin;
- his son, Ling Xi Gene (1,000,000 ordinary shares); and
- his daughter, Ling Xi Yui (1,000,000 ordinary shares).

* Dr. Tan Kui Chin deemed interested in the shareholdings of:

- (a) her husband, Ir. Ling Liong Lai;*
- (b) her son, Ling Xi Gene (1,000,000 ordinary shares); and*
- (c) her daughter, Ling Xi Yuin (1,000,000 ordinary shares).*

Further details on the background of the Directors are found in Section 11 of this Information Memorandum.

9.5 Directors' Interest

A Director may hold any office or place of profit (other than as auditor) in any company within the Group and may contract with the Company either as vendor, purchaser or otherwise. As of the date of this Information Memorandum and as set out below, no contract or arrangement exists where a Director is materially interested.

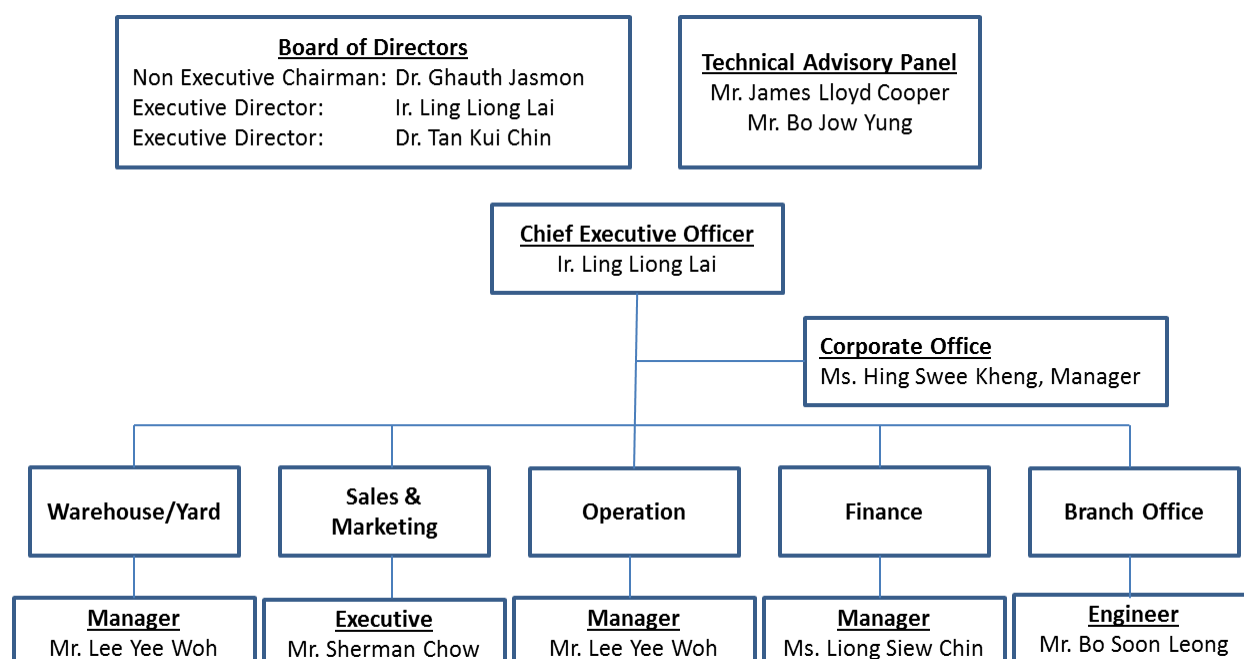
Neither a Director nor its alternate may vote at any meeting of the Board about any contract or arrangement in which the Director has, whether directly or indirectly, a material personal interest, nor be present while the relevant matter is considered at the meeting.

Under the Articles of Association of the Company, the remuneration of the Directors (but excluding any remuneration payable to any Director under any executive service contract with the Company or a related body corporate) will from time to time be fixed by the Company in general meeting. The Company's Articles of Association also provides that the Directors may be paid any expenses properly incurred by them in their role as Director.

9.6 Company Secretary

Kensington Secretaries Ltd. has been appointed as the company secretary of the Company, to perform duties as company secretary in accordance to the Company's Articles of Association.

9.7 Company Organization and Executive Management Team



Technical Advisory Panel	
Technical Advisor (Corrosion Protection)	Mr. James Lloyd Cooper
Technical Advisor (Marine & Port Services)	Mr. Bo Jow Yung

Executive Management Team	
CEO	Ir. Ling Liong Lai
Project Manager	Mr. Lee Yee Woh
Sales & Marketing Executive	Mr. Sherman Chaw
Office Manager	Ms. Hing Swee Khen
Account Manager	Ms. Liong Siew Chin

Further details on the background of the Directors and members of management team are found in Section 11 of this Information Memorandum.

SECTION 10: BUSINESS

10.1 Executive Summary

Corrosion has a huge economic and environmental impact on the world's infrastructure, which ranges from highways, bridges, buildings, oil and gas, chemical processing, water and waste water systems.



Figure 10.1

The aging of infrastructure is one of the most serious problems faced by society today. Besides ensuring the infrastructure performs within the designed lifetime, the emphasis now includes maintenance and extension of life of these valuable assets.

Corrosion affects the length and reliability of the major sectors of the economy of the world such as:

1. Gas and Liquid Transmission Pipelines

Pipelines transport crucial energy resources throughout the world. These include the transmission of natural gas, crude oil, and hazardous liquids.

2. Ports and Waterways

Corrosion is typically found on harbour, piers, docks, bulkheads, retaining walls, mooring structures, navigational aids and other marine structures.

3. Utilities

One of the largest industrial corrosion includes the sectors of gas distribution, drinking water and sewer systems, electrical utilities and telecommunications.

4. Production and Manufacturing

This category includes industries that produce and manufacture crucial products including oil production, petroleum refining, chemical and petrochemical processes.

10.2 Services and Technology and its Products

The process of managing corrosion should be approached in a holistic manner. The importance of getting the right processes at the initial stage of building and erection is crucial and cannot be over-emphasized.

For existing facilities, using the correct protection materials and methods to manage and put under control the effects of corrosion is just as important to ensure the facilities maintains its reliability and extends beyond the designed lifetime.

The products used by CPC for the anti-corrosion protection are manufactured by Central Products (Tianjin) Co Ltd, a WOFE (Wholly Owned Foreign Entity) of Central Products LLC, USA. These products have been manufactured by that company since mid-1990s and CPC was appointed the distributor of the products in the South East Asia region since 2008.

The products and services deployed by CPC offer the following competitive advantages:

- Highest product technology combined with application ease
- Non-toxic and non-combustive (cold applied), No heating and associated dangers
- Ready for service immediately after application
- Small work crews and simple application tools with specific machines.
- Application while equipment is operating, no-down time costs
- Long service life eliminating costly periodic maintenance/renovation
- Assistance to ensure maximum protection with minimum quantity of materials
- Stable products with long term shelf life up to 40 years
- Safe working environment, worry free from leaks, spills, and explosions
- Highest level of corrosion protection available on the market today
- Largest single cost saving product available to the industry

The products manufactured by Central Products (Tianjin) Co. Ltd and distributed by the Company can be categorized in 3 product range:

1. POLYcoat series

These are bitumen based products which are used for the anti-corrosion protection of buried pipes and structures.

2. STAC System

These ranges of products are petrolatum based. They are suited for new and maintenance works on a variety of surfaces, hence STAC which means Surface Tolerant Anti Corrosion.

3. SPLASHpro system

SPLASHpro products are most widely used for subsea pipelines, risers and pilings in the Splash Zone where the rate of corrosion is among the highest and where they have been proven effective technically and commercially.

10.2.1 POLYcoat Series

The **POLYcoat Series** products are most frequently used for the protection of buried pipe and structures. These products are used on both new pipe applications as well as for renovation and repair projects. This bitumen based products provide the highest surface adhesion and won't separate from the pipe surface even in high soil stress installations.

The adhesive which is formulated with corrosion fighting bitumen also provides high resistance to moisture permeation.

The bitumen based products are coupled with PE/PP backing providing excellent mechanical protection from fierce soils as the pipes move during the service life. The PE/PP backing also provides exceptional electrical isolation to complement any impressed current system. Normal life of these products can be well over 30 years.

Key Benefits:

The key benefits of the products can be found in the following advantages:

- Impermeable to oxygen and moisture
- Resistant to soil stress
- Minimal surface preparation
- Strong adhesive
- Protection against mechanical impact
- Uniform coating thickness
- Low cathodic protection costs
- Proven long life service

Applications

These cold applied, auto-adhesive tapes are designed to protect metallic and concrete surfaces from moisture penetration and corrosive elements. They consists of an adhesive surface made from modified bitumen with synthetic rubber which is laminated onto few kinds of film ranging from Aluminium, PP, PE and PVC base and a disposable release sheet. When applied, the tape will create a strong bond with the protected surface thus providing an anti-corrosion barrier.

POLYcoat Primer - Bitumen Primer, oxidized based materials, Solvent for Surface Preparation



POLYcoat 850 - High UV Resistance Tape with Aluminium film



POLYcoat 780 - High Impact Resistance Tape with coarse Polypropylene (PP) film

POLYcoat 760 - High Performance Tape with fine Polypropylene (PP) film



POLYcoat 660 - High Flexibility Tape with Polyethylene (PE) film

POLYcoat 560 - High Adaptability Tape with PolyvinylChloride (PVC) film



10.2.2 STAC System

The **STAC system** products are most widely used for maintenance projects. These products are non-toxic and non-flammable. They are simple to apply, highly flexible and conform easily to irregular and voided surfaces. These petrolatum based products can be applied to all kinds of surfaces – cold, wet or submerged, pitted or corroded. Once applied on a minimally prepared surface, the corrosion on the surface will stop.

These products are corrosion resistant to water, salts, acids and caustics. They also have excellent long term UV stability. These petrolatum based products do not harden with time and can be removed for inspection and then reapplied. Many installations have service lives of over 20 years.

Key Benefits:

The key benefits of the products can be found in the following advantages:

- Easy Application
- Cost Efficient

- No V.O.C
- Proven long life service
- No special equipment needed
- Minimal surface preparation
- Conform to irregular surfaces

Applications

The STAC system comprises few components which are unique blend of saturated petroleum hydrocarbons, fillers, flow controls additive and corrosion inhibitors. They are free of acids, alkalis, waxes, resins and saponifiable and other deleterious matters.

STACPrime - Surface Treatment Primer

STACPrime UW - Wet Petrolatum Primer, applicable underwater with biocides for surface treatment



STACfill - Profiling Compound to ensure complete protection of substrate



STACfill LT - Lightweight Profiling Compound



STACwrap UW - Underwater Petrolatum Tape using Non-woven, stitch-bonded, synthetic fabric carrier



STACwrap Marine - SplashPro Petrolatum Tape
STACwrap - High Conformability Petrolatum Tape
STACwrap Marine XT - Extreme Duty Marine Tape



STACguard T - Thick Overwrap PVC/PE Tape
STACguard Y - Yellow Adhesive Overwrap PVC Tape



10.2.3 SPLASHpro system

The SPLASHpro system is most suited for the protection of subsea pipelines, risers and pilings in the splash zone.

The aggressive offshore environment of splash and inter-tidal zones makes corrosion control a challenge for conventional methods. These areas are exposed to waves, spray of seawater, and the atmosphere.

The high concentration of salt, oxygen, temperature variation, and mechanical damage due to flotsam and jetsam makes the splash zone the most easily corroded part of a structure and also the most difficult to protect against corrosion.

The Splash Pro system consist of an inner anticorrosive barrier of petrolatum based STACwrap and an outer mechanical protection HDPE jacket. Many installations have provided more than 20 years of mechanical protection.

Key Benefits:

The key benefits of the products can be found in the following advantages:

- Easy application
- Highly ultra violet resistant
- Unaffected by seawater
- Excellent low temperature properties
- High impact strength
- Good abrasion resistance
- Non-stick surface
- Excellent hanging properties
- Lightweight

Applications

SPLASHpro M1 System - HDPE Jacket secured with Straps

The SPLASHpro M1 System secured with strapping system stops corrosion in the splash zone by using a uniquely formulated combination of petrolatum-based STACprime marine, STACfill and STACwrap marine when protected by strapped HDPE jackets.



SPLASHpro M2 System - HDPE Jacket secured with Bolts and Nuts

The SPLASHpro M2 System secured with bolted system stops corrosion in harsh marine environments by using a uniquely formulated combination of petrolatum-based STACprime marine, STACfill and STACwrap marine tape when protected by the bolted HDPE jackets.



10.2.4 Business Segment

Based on the technology, products and the market, the Group has segmented its business into three (3) major categories.

(i) Underground Steel Pipelines Installation.

The POLYcoat Series of products offers advantages in the anti-corrosion of the underground piping as well as the welded joints of the pipelines, which is the weakest line to any underground pipeline installation due to its onsite corrosion protection works.

In this category, the water, waste water, sewerage and gas distribution pipeline and networks form the major market.





(ii) Industrial Steel Pipelines and Structures Installation

The STAC system offers advantages in the corrosion protection function to the surface piping owing to the Surface Tolerant Anti-Corrosion tapes nature. It can adapt to a variety of surfaces, be it wet, cold, submerged, corroded or pitted. The wrappings can be removed for maintenance work and then can be reused.

In this category, the market comprises the need for the corrosion protection of piping, pipe racks, steel structures of industries, process, plants, ports and facilities.



(iii) Marine, Port Pilings, Pipings and Structures in the Splash Zone.

The SPLASHpro system is well suited to the marine and tidal zone conditions. The materials are able to be installed above and underwater conditions, making it very competitive and effective in the hostile marine conditions.

This system is very competitive in the corrosion protection and rehabilitation of pilings of jetties, mooring dolphins and navigational aids structures.



10.3 COMPETITIVE STRENGTH

Management

The Management Team is highly qualified and experienced, comprising of one Professional Engineer who is a member of NACE and the Institute of Corrosion, and 2 other members with doctorate degrees. As our industry is highly technical in nature, a majority of our employees are equipped with tertiary and technical qualifications. Our Management Team is fully committed and passionate about the anti-corrosion business of the Company.

On the advisory panel, the principal of the manufacturer and one established port professional are on board to provide their technical expertise, advice and direction. They will also spearhead the research and development activities.

Support, Research & Development

The Group has the full support and commitment of the manufacturer to grow the business in South East Asia. We work closely with our clients to understand their individual corrosion problems and situation and develop new methods and applications with the Research & Development team of our supplier to effectively address the corrosion control measures with each client.

Experience & Proven Track Record

Since inception, the CPC has carried out numerous installations and projects in all the 3 business sectors, namely underground steel pipeline installation, industrial steel pipelines and structures installation and marine, port pilings, piping, and structures in the splash zone. To date all the installations have stood up to the specifications and perform well.

Prominent Customers

Our list of customers includes the following prominent clients:

1. Public Works Department, Government of Malaysia
2. Marine Department, Government of Malaysia
3. Gas Malaysia Berhad, Malaysia
4. Bintulu Port Sdn Bhd, Malaysia
5. Vale Iron Ore Terminal, Malaysia
6. Senoko Energy, Singapore
7. Vopak, Penjurong, Singapore
8. Tuas Power Generation, Singapore
9. Singapore LNG Terminal, Singapore
10. Oiltanking, Singapore

Extensive Business Networking

With the many years of multi-disciplinary experience of the Company executives, their extensive networking in the business platform will lead the team to the relevant projects.

Ever Growing and Supported Industry

The need for competent and professional executives in the anti-corrosion is ever growing. The industry is always requiring the products to be put in place to curb and stop corrosion.

10.4 Track Records

The Company has a proven and successful project track record as shown below (5 projects of many projects that have being undertaken by the Company):

10.4.1 Project Profile: Bintulu Port, Sarawak, Malaysia

Location:	LNG 2, LNG 3 and LPG Jetty, Bintulu Port, Bintulu, Sarawak, Malaysia
Description:	To install corrosion protection system on splash zone of 1116 nos. of steel piles in diameter of 508, 611, 711, 800 and 1100 mm
Material Used:	SPLASHpro M-2 80 System comprising of STACprime UW, STACfill, STACwrap UW (300 mm), STACguard, stainless steel, bolts and nuts
Manufactured by:	Central Products LLC, USA
Installer:	CP Coatings Sdn Bhd

Bird Eye View of Bintulu Port



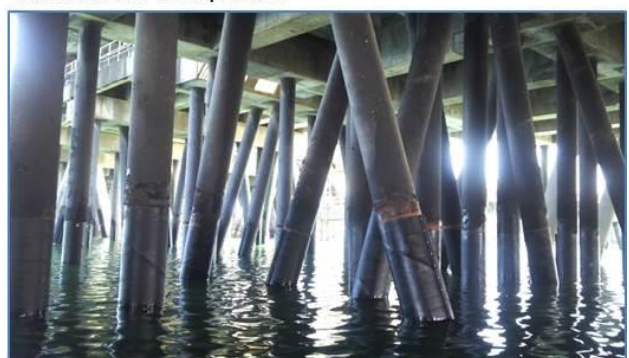
Liquid Petroleum Gas Jetty



HDPE Jack Installation



Installation Completed



- Installation Date: In 2012-2015, the SPLASHpro M2-80 system was supplied and installed at the piles of the LNG2, LNG3 and LPG jetties of Bintulu Port, Bintulu, Sarawak. The project covering 1116 piles was given 36 months to complete given the high traffic volume of vessels berthing. The work was completed in 27 months.

10.4.2 Project Profile: Customs Jetty, Langkawi, Malaysia

Location: Customs jetty, Bukit Malut, Langkawi, Malaysia
Description: To install corrosion protection system on splash zone of steel piles
Material Used: SPLASHpro M-1 80 System comprising of STACprime UW, STACfill, STACwrap (150mm & 30 mm), STACguard, SS317L band (12.5mm/0.76mm) and SS316 Buckle
Manufactured by: Central Products LLC, USA
Distributor: CP Coatings Sdn Bhd

Condition of Jetty Steel Piles before Corrosion Protection



Coating of Steel Pile



Application of Primer



Installation of Jackets and Straps



Jetty Steel Piles After Installation of Corrosion Protection



- Installation Date: In 2009, the SPLASHpro M1-80 system was supplied and installed at the steel piles of the Customs Jetty, Bukit Malut, Langkawi, Malaysia

10.4.3 Project Profile: Pulau Ketam & Sungei Lima, Port Klang, Malaysia

Location:	Passenger Jetty at Pulau Ketam and Sungei Dua, Port Klang, Malaysia
Description:	To install corrosion protection system on splash zone of concrete piles
Material Used:	SPLASHpro M-1 80 System comprising of STACprime UW, STACfill, STACwrap (150mm & 30 mm), STACguard, SS317L band (12.5mm/0.76mm) and SS316 Buckle
Manufactured by:	Central Products LLC, USA
Distributor:	CP Coatings Sdn Bhd

Overview of Jetty and Piles before Corrosion Protection



Piles After Installation of Corrosion Protection



Installation Date: In 2009, the SPLASHpro M1-80 system was supplied and installed at the spun concrete piles of the passenger jetty of Pulau Ketam and Sungei Lima, Port Klang, Selangor, Malaysia.

10.4.4 Project Profile: Beacon Structure, Kemaman, Terengganu, Malaysia

Location: Beacon No. 1,2,3,4,N,S and E, Kemaman Port, Kemaman, Malaysia
Description: To install corrosion protection system on splash zone of steel piles
Material Used: SPLASHpro M-1 80 System comprising of STACprime UW, STACfill, STACwrap (150mm & 30 mm), STACguard, SS317L band (12.5mm/0.76mm) and SS316 Buckle
Manufactured by: Central Products LLC, USA
Distributor: CP Coatings Sdn Bhd

SPLASHpro M1-80 system was supplied and installed at the piles of the Beacon structures



- Installation Date: In 2009, the SPLASHpro M1-80 system was supplied and installed at the piles of the Beacon structures, off the coast of Kemaman, Terengganu, Malaysia.

10.4.4 Project Profile: Beacon Structure, Panjang Utara, Johor, Malaysia

Location:	Panjang Utara Beacon Johor, Malaysia
Description:	To install corrosion protection system on splash zone of steel piles Material Used: SPLASHpro M-1 80 System comprising of STACprime UW, STACfill, STACwrap (150mm & 300 mm), STACguard, SS317L band (12.5mm/0.76mm) and SS316 Buckle
Manufactured by:	Central Products LLC, USA
Distributor:	CP Coatings Sdn Bhd

SPLASHpro M1-80 system was supplied and installed at the piles of the Beacon structures



- Installation Date: In 2011, the SPLASHpro M1-80 system was supplied and installed at the piles of the Beacon structures, off the coast of Johor, Malaysia.

10.5 Growth Strategy

- The Group will continuously update and enhance its business strategy to penetrate and to capture market share in the corrosion protection and management business.
- The Group shall leverage and fully capitalize on the need to protect the facilities to extend the service lifetime of the facilities. The Group wants to promote the importance of investment in corrosion protection and that it is not a burden to the industry; instead, it provides good investment returns alongside with protecting the environment.
- The Group will continuously work with the manufacturer, research and development institutes, universities, foundations, world organizations, food industries and technology and equipment companies in keeping abreast with new technologies and methodologies to improve the performance and services of the Company.

10.6 Government Support

The Public Works Department and the Marine Department of the Government of Malaysia has endorsed the product and our installation after the successful installations at few of the government facilities.

We are confident that the government through the Public Works Department and the Marine Department will move on to use the methodology and materials in protecting their facilities which will not only protect their investment but also ensure well run operations.

10.7 Intellectual Property and Licenses

- CPC is the distributor of the corrosion protection products manufactured by Central Products (Tianjin) Co Ltd. However the company applies its knowhow and understanding of the corrosion and the facilities to engineer the specific solution for the clients and then follow up to ensure continued serviceability of the products.
- CPC is licensed by the Malaysian government to carry out corrosion protection works.
- The Group has a Local Bumiputra Agent as its vendor to register with Petronas, Energy Commission, Water Commission and Gas companies.
- CPC is registered with North Port and the Port of Tanjung Pelepas as their Vendor for Corrosion protection system.

10.8 Related Parties

Save as disclosed below, the Group has no other related party transactions as of the date of this Information Memorandum:

Tenancy Agreement

CPC had on 10 April 2014 entered into a tenancy agreement with YGL Sdn Bhd for the rental of the No. 6, Ground Floor, Jalan TP 3/1 Taman Perindustrian SIME UEP, 47600 Subang Jaya, Selangor Darul Ehsan, Malaysia. The tenancy is the period of 2 years with a 1 year option to renew. Ling Liong Lai and Tan Kui Chin are directors and shareholders of YGL Sdn Bhd. The tenancy agreement is on normal commercial terms.

10.9 Material Agreement

Share Exchange Agreement 1

The Vendors had on 18 May 2015 entered into the Share Exchange Agreement 1 with CPE whereby the Vendors exchange each share they held in CPC for 3 ordinary shares of RM1.00 each in CPE in accordance with the terms and conditions therein contained. This Agreement has since been completed resulting in CPC being a wholly owned subsidiary of CPE.

Share Exchange Agreement 2

The CPE-Vendors had on 22 May 2015 entered into the Share Exchange Agreement 2 with the Company whereby the CPE-Vendors exchanged each share they held in CPE for 70 shares in the Company in accordance with the terms and conditions therein contained. This agreement has since been completed resulting in CPE becoming a wholly owned subsidiary of the Company.

Lock Up Agreement

10 shareholders (including Directors) of the Company ("**Escrowed Shareholders**") representing approximately 61.16% of the entire issued and paid up Shares of the Company, have executed agreements with the Company whereby the Escrowed Shareholders agreed not to dispose of, or agree or offer to dispose of the restricted securities or do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the restricted securities for a period of 12 months from the date the CDIs are admitted for trading on the NSX and 24 months from this date in the case of Directors of the Company who are Escrowed Shareholders.

Executive/ Directors Agreement

Mr. Ling Liong Lai had on 1 May 2015 entered into an employment agreement with CPC as the Chief Executive Officer of CPC. The agreement is on normal commercial terms.

Ms. Tan Kui Chin had on 1 May 2015 entered into an employment agreement with CPC as the Executive Officer of CPC. The agreement is on normal commercial terms.

SECTION 11: DIRECTORS AND SENIOR MANAGEMENT

11.1 BOARD OF DIRECTORS

Dr. Ghauth bin Jasmon, Tan Sri Datuk	Non-Executive Chairman
Ir. Ling Liong Lai	Executive Director and Chief Executive Officer
Dr. Tan Kui Chin	Executive Director

Dr. Ghauth Jasmon, Tan Sri Datuk

Non-Executive Chairman



Dr. Ghauth, is a Malaysian aged 58 and is the Non-Executive Chairman of Beaver Entech Limited. Dr. Ghauth graduated from the University of London in 1979 with a Degree in Electrical and Electronic Engineering (First Class Honours) and obtained his Doctorate Degree in 1982. From 1982 to 1996, he served in the University of Malaya as lecturer, head of department, Dean of Engineering Faculty and his last assignment, as the Deputy Vice Chancellor of Development. From 1996 to 2007, he served as the Founder President and CEO of the MultiMedia University, Malaysia. After a short stint as CEO of Unity College International, he was appointed the Vice Chancellor/CEO of University Malaya where he served from 2008 till 2013.

He is a Chartered Engineer of both UK and Australia, and has more than 33 years of working experience as an engineer, lecturer and educationist. Dr. Ghauth is also a member of the following organizations:

- Chartered Engineers, UK
- Fellow of Institution of Electrical Engineers UK
- Chartered Professional Engineer, Australia
- Fellow of Institution of Engineers, Australia

Dr. Ghauth has authored numerous publications in journal, proceedings and technical reports throughout his working career and had served in innumerable committees in the local, institutional, national and international levels.

Dr. Sri Ghauth continues to serve as resource to few educational institutions and sits on the board of few private companies where he shares his experience and expertise.

Dr. Ghauth was decorated the Darjah Mulia Seri Melaka (DMSM) which carries the title 'Datuk' by the Governor of Melaka in 2004, and he was awarded the Darjah Panglima Setia Mahkota (PSM) which carries the title 'Tan Sri' by the King of Malaysia in 2011.

Ir. Ling Liong Lai

Executive Director and Chief Executive Office



Ir. Ling, a Malaysian aged 54, is the Executive Director and Chief Executive Officer of Beaver Entech Limited. Ir. Ling graduated from the University of Malaya in 1985 with a Degree in Electrical Engineering (Honours). He is a Professional Engineer registered with the Board of Engineers of Malaysia, and has more than 28 years of experience in the building and engineering industry. Ir. Ling is also a member of the following organizations:

- Member of the Institution of Engineers, Malaysia
- Member of the Association of Consulting Engineers, Malaysia
- Member of the ASEAN Engineer Register
- Member of the Institution of Corrosion Engineers, UK
- Member of NACE International, USA
- Member of the Malaysian Institute of Management, Malaysia

Ir. Ling started his career as an electrical engineer in few engineering consultancy practices. He has experience designing and managing projects ranging from residential, commercial (offices, hotels, complexes), industrial (infrastructure, manufacturing facilities, industrial parks), institutional (library, hospitals, schools, mosque) and special projects (theme parks, convention centres, oil & gas facilities). He was appointed the technical director of a large multidisciplinary consulting practice and was in charge of leading and developing the team.

Ir. Ling started his private consultancy practice 15 years ago and has serviced clients in mainly medical and commercial projects. He also provides services in construction management through managing medical and industrial projects.

Ir. Ling started the corrosion protection business 8 years ago and founded CP Coatings Sdn Bhd. He has successfully carried out projects in many port and jetty facilities including the government jetties of the Navy and Customs. He is instrumental in managing the pile rehabilitation project for the LPG and LNG jetties of the Bintulu Port in Sarawak, one of the largest undertakings of its kind.

Ir. Ling has a particular interest in building new facilities using innovative approaches and he had successfully completed factory fitted packaged substations, skid-based facilities and now he is working on containerized waste water treatment facilities.

Dr. Tan Kui Chin
Executive Director



Dr. Tan, a Malaysian aged 49, is the Executive Director of Beaver Entech Limited. Dr. Tan graduated from the University of Malaya in 1988 with a Degree of Bachelor of Arts with Honours. She obtained her post graduate Diploma in Education, DipEd in 1991 and then embarked on her teaching career in a secondary school where she developed a particular interest in psychology and counselling. She obtained her Master's Degree in Education (Counselling) in 2003 and Doctorate in Philosophy (PhD in Counselling) in 2013 from the University of Malaya.

Dr. Tan is a registered, licensed counsellor (KA, PA) and certified Supervisor of the Board of Counsellor, Malaysia, and is also a member of the following organizations:

- Certified Expressive Therapist, Expressive Therapies Institute, Australia
- Certified Trainer, Human Resources Development

Dr. Tan carries out numerous training programmes in human capital development where she help develop individuals, teams, families and corporate bodies to have healthy and effective teams and teamwork.

Dr. Tan is instrumental in building the Human Resource development programme in the organization.

11.2 Technical Advisory Panel

- a) Mr. James Lloyd Cooper Technical Advisor (Corrosion Protection)
- b) Mr. Bo Jow Yung Technical Advisor (Marine & Port Services)

Mr James Lloyd Cooper

Technical Advisor (Corrosion Protection)



Mr. Cooper, an American citizen aged 59, is appointed the Technical Advisor of Beaver Entech Limited. Mr. Cooper graduated from the Iowa State University in 1978 with a Degree in Science major in Mechanical Engineering.

Mr. Cooper started his career with Caterpillar, Inc, in the USA as an undergraduate trainee and moved his way through the company hands-on programs in manufacturing, design and research, and then as a Computing Engineer where he developed computer software and hardware systems to meet Test and Research needs. After 12 years with Caterpillar, he spent another 6 years with Pacific Resources, Inc and Management Technologies, Inc, both US companies carrying out business in China with trading activities, managing offices, and developing suppliers of manufacturing equipment to projects setting upgrading plants in China.

Mr. Cooper then served as the General Manager for Central Plastics Company where they manufacture and market anti-corrosion products for the oil, gas and water industries in China as well as in Asia. He managed the plant setup in China and oversees the production and the marketing of these products. In 2010, he carried out a management buyout of the anti-corrosion unit of Central Plastics Company and renamed it Central Products (Tianjin) Co. Ltd, through his wholly owned USA LLC company which act as the holding company for the WOFE (Wholly Owned Foreign Entity). Today the company manufactures modified bitumen tapes, petrolatum tapes and wharf piling protection systems.

Currently, Mr. Cooper is the Managing Director of Central Products (Tianjin) Co. Ltd, where they manufacture and market their 3 main anti-corrosion protection product lines, namely POLYcoat, STAC, and SPLASHpro systems. For the China markets as well as the ASEAN, North America and other countries. MR. Cooper is very experienced in the manufacturing of these corrosion protection products and the installations of the products in many challenging applications.

Recently, he led the team to fabricate and install the corrosion protection jacketing system for the wind generator support base set offshore of Nantong, China.

Mr. Cooper is also leading the team to carry out research and development of new products and applications in house and with several Cooperative Technical Research Centres in China.

Mr. Bo Jow Yung

Technical Advisor – Marine & Port Services



Mr. Bo Jow Yung, a Malaysian aged 59, is appointed the Technical Advisor (for Marine & Port Services) of Beaver Entech Limited. Mr. Bo graduated from the University of Malaya in 1981 with a Degree of Bachelor of Arts (Economics) with Honours. He also obtained his post graduate diploma in education, DipEd from the same University in 1982.

Mr. Bo started his career as an Administrative Officer with Bintulu Port Authority and later served as the Senior Assistant Traffic Manager until 1990. From 1991, he moved to Bintulu Port Sdn Bhd and served as the Research and Development Manager until 1995. He served as the General Cargo Operations Manager (1996 to 2003), Marketing and Business Development Manager (2004-2007) and his last position with Bintulu Port Sdn Bhd was a Container Operations Manager (2008 to 2011).

While in Bintulu Port Sdn Bhd, he was offered a scholarship to do his Master Degree in Science in Port Management & Harbour Administration where he graduated with Distinction from the University of Antwerp, Belgium. Upon his mandatory retirement Bintulu Port Sdn Bhd in 2011, he served as the Operations Director of Harbour-Link Logistics Sdn Bhd.

Mr. Bo is also instrumental in helping CP Coatings Sdn Bhd secure the Bintulu Port rehabilitation project of the LNG and LPG jetties and he has been involved with the project from 2012 to 2015.

Mr. Bo is very experienced and has extensive knowledge in port operations and logistics. His key focus is in the provision of corrosion protection and related port services to the ports in Bintulu, Samalaju and in East Malaysia.

11.3 SENIOR MANAGEMENT

- | | | |
|----|------------------------------|-------------------------------|
| 1. | Ir. Ling Liong Lai | Chief Executive Officer |
| 2. | Mr. Lee Yee Woh: | Project Manager |
| 3. | Mr. Sherman Chaw Zee Mum | Sales and Marketing Executive |
| 4. | Ms. Hing Swee Khen, Jennifer | Office Manager |
| 5. | Ms. Liong Siew Chin, Cecilia | Finance Manager |

Mr. Lee Yee Woh

Project Manager



Mr. Lee is the Project Manager of CP Coatings Sdn Bhd. He has over 30 years of working experience in the construction and building services industry.

He received his technical training through numerous courses conducted by the Association of Consulting Engineers Malaysia (ACEM) and Universiti Teknologi Malaysia (UTM). Mr. Lee is a Registered Building Manager of the Building Management Association of Malaysia (BMAM) since 2014.

Mr. Lee has worked in few Engineering Consultancy practices where he served in the design and project management capacities managing a wide range of projects covering residential, commercial (offices, Soho), industrial, hospitality (hospitals, hotels) and institutional (schools, universities, mosques, and training centres) purposes.

Mr. Lee also had a few years of experience in construction management with contracting firms, where he managed the implementation of mechanical and electrical engineering installations for buildings, institutions and infrastructure projects.

Mr. Lee manages the fabrication works and also oversees the site works.

Mr. Sherman Chaw Zee Mum

Sales & Marketing Executive



Mr. Chaw is the Sales & Marketing Executive with CP Coatings Sdn Bhd since August 2014. He graduated with a Bachelor of Engineering degree with Honours in Electrical and Electronic Engineering from the University of Northumbria at Newcastle in 2002.

Mr. Chaw began his career in sales in Ipoh dealing with disposable medical supplies from 2002 to 2006. He then spent 4 years in Singapore with Sinatec Engineering dealing with Steel Fabrication and Ship Repair. He return to Malaysia in 2010 and was involved again in medical line before joining CP Coatings Sdn Bhd to be responsible for regional sales and marketing.

He has more than 12 years of working experience in sales & marketing.

Ms. Hing Swee Khen, Jennifer

Office Manager



Ms. Hing is the Office Manager of CP Coatings Sdn Bhd since 1 April 2014.

She began her career as an Administrative Assistant with E-Dynamic Companies Services Sdn Bhd where she carry out duties involving company secretarial works, administrative and Accounts from 2003 to 2006. From 2006 to 2014 she was the administrator of an engineering consultancy practice, where she is responsible for secretarial and administrative functions. She is also responsible for office management.

Ms. Hing is experienced in office operations, secretarial, administrative and trading activities.

Ms. Liong Siew Chin, Cecilia
Accounts Manager



Ms. Liong is the Accounts Manager of CP Coatings Sdn Bhd since 1 April 2014.

She began her career as a Junior External Auditor with Ernst & Young from 1994 to 1996. She then worked for the owner of Cocoland Holdings Group of Companies as the Internal Auditor from 1996 to 2000. She then served as the Senior Accounts Executive of Kontrektor Elektrik Pelita Bumi Sdn Bhd from 2000 to 2005, thereafter she went on her own providing various management services to individuals and corporate clients.

Ms. Liong is a Member of the Association of Chartered Certified Accountants, UK. She is a Certified Financial Planner and is working on her Certified Financial Analyst qualifications.

She has attended numerous professional training courses in Taxation, Investigation & Fraud, Operational and Auditing provided by the Institute of Internal Auditors.

She is well experienced in accounts, tax and reporting system.

SECTION 12: FINANCIAL INFORMATION

12.1 Historical Financial Data

As the Company was incorporated on 8 April 2015, it has no substantial operating or trading history. The financial data of CPC, which became a subsidiary of the Company on 22 May 2015 is considered relevant.

Set out below is the summary of the following financial information:

- Audited financial information of CPC for the period ended 30 June 2013;
- Audited financial information of CPC for the period ended 30 June 2014;
- Financial information of the Company on a consolidated basis for the period ended 31 March 2015 based on its management accounts.

The Auditors have given their approval for financial reports prepared by it to be included in this Information Memorandum, and to be named as Auditors of the Company.

Complete set of audited financial statement and most recently available management financial statements for the Company and its subsidiary, are available for inspection at the Company's registered office. A summary of the same are as set out next.

Extract of the Audited Accounts of CPC for the 12 months period ended 30 June 2013

1. STATEMENT OF COMPREHENSIVE INCOME FOR 12 MONTHS ENDED 30 JUNE 2013

Description	RM
Revenue	2,961,114
Cost of Sales	(2,787,030)
Gross Profit	174,084
Administration Expenses	(147,748)
Profit before Taxation	26,336
Income Tax Expenses	(5,143)
Profit / (Loss) after Taxation	21,193

2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

Description	RM
Non- Current Assets	
Property, Plant & Equipment	227,529
Current Assets	
Inventories	0
Trade Receivables	1,753,654
Cash & Cash Equivalent	77,610
Fixed deposits placed with a licensed bank	307,950
Provision for taxation	132
	2,139,346
Current Liabilities	
Trade Payables	(1,030,560)
Other Payables and Accruals	(739,599)
Short term borrowings	(477,212)
Tax Payable	0
	(2,247,371)
Net Current Assets / (Liabilities)	(108,025)
	119,504
<u>Financed / (Represented) by:-</u>	
Share Capital	100,000
Retain Profit	(38,365)
Shareholders' Equity	61,635
Non-Current Liability	
Hire purchase creditor – portion due after one year	53,320
Deferred Tax Liabilities	4,549
	119,504

Extract of the Audited Accounts of CPC for the 12 months period ended 30 June 2014

1. STATEMENT OF COMPREHENSIVE INCOME FOR 12 MONTHS ENDED 30 JUNE 2014

Description	RM
Revenue	2,705,994
Cost of Sales	(2,372,440)
Gross Profit	333,554
Administration Expenses	(192,331)
Profit before Taxation	141,223
Income Tax Expenses	(42,757)
Profit / (Loss) after Taxation	98,466

2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

Description	RM
Non- Current Assets	
Property, Plant & Equipment	186,703
Current Assets	
Inventories	60,034
Trade Receivables	901,748
Cash & Cash Equivalent	169,591
Fixed deposits placed with a licensed bank	317,131
	1,448,494
Current Liabilities	
Trade Payables	(516,965)
Other Payables and Accruals	(868,231)
Short term borrowings	(40,008)
Tax Payable	(30,470)
	(1,455,674)
Net Current Assets / (Liabilities)	(7,180)
	179,523
<u>Financed / (Represented) by:-</u>	

Share Capital	100,000
Retain Profit	60,101
Shareholders' Equity	160,101
Non-Current Liability	
Hire purchase creditor – portion due after one year	13,312
Deferred Tax Liabilities	6,110
	179,523

Extract of Latest Proforma Group Consolidated Management Accounts

1. STATEMENT OF COMPREHENSIVE INCOME FOR 9 MONTHS ENDED 31 MARCH 2015

Description	RM
Revenue	2,049,844
Cost of Sales	(1,248,871)
Gross Profit	800,973
Administration Expenses	(423,341)
Profit before Taxation	377,632
Income Tax Expenses	(85,890)
Profit / (Loss) after Taxation	291,742

2. STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

Description	RM
Non- Current Assets	
Property, Plant & Equipment	74,984
Current Assets	
Inventories	80,846
Trade Receivables and Other Receivables	997,591
Cash & Cash Equivalent	642,521
Provision for taxation	0
	1,720,958
Current Liabilities	
Trade Payables	(246,670)
Other Payables and Accruals	(8,231)

Tax Payable	(85,398)
	(340,299)
Net Current Assets / (Liabilities)	1,380,659
	1,455,643
<u>Financed / (Represented) by:-</u>	
Share Capital	1,000,000
Share application money	100,000
Retain Profit	351,843
Shareholders' Equity	1,451,843
Non-Current Liability	
Deferred Tax Liabilities	3,800
	1,455,643

Working Capital

As of the date of this Information Memorandum, the Directors are of the opinion that the Company has sufficient working capital to support its existing business as stated in this Information Memorandum. Notwithstanding the foregoing, the Directors intend to expand the Company's business and such expansion plans require the deployment of significant additional capital. Such capital is not available to the Company solely as a result of profits earned through its existing operations and the Directors intend that the Company will seek to raise new equity capital through a new issue of shares in the future subject to the approval of the NSX and such other relevant authorities.

Group Cash Flow & 9 Months Expenses

As of 31 March 2015, the Group has cash and cash equivalents RM 642,521, trade receivables and other receivables of RM 997,591 and for the 9 months period ended 31 March 2015, the Group incurred operating expenses of RM 46,316 monthly.

Based on this level of expenditure and the current availability of cash and liquate assets, if no further revenue is realized for the next 24 months, and provided there are no significant increases in operating costs, the Group will be able to meet its expenses and continue operations by utilizing its existing resources.

Changes in Financial Position

The Directors assert that to the best of their knowledge, there have been no adverse material changes to the financial or trading position of the Group since the date of the last available audited accounts, for the period ended 30 June 2015.

Lock-up Agreements

10 shareholders (including the Directors) of the Company (“Escrowed Shareholders”) representing approximately 61.16% of the entire issued and paid-up Shares of the Company, have executed agreements with the Company whereby the Escrowed Shareholders agreed not to dispose of, or agree or offer to dispose of the restricted securities, create or agree or offer to create, any security interest in the restricted securities; or do, or omit to do, would have the effect of transferring effective ownership or control of the restricted securities for a period of 12 months from the date the Shares are admitted to trading on the NSX and 24 months from this date in the case of Directors of the Company who are Escrowed Shareholders.

SECTION 13: CORPORATE GOVERNANCE

The composition of the Board of Directors of the Company may be altered from time to time by ordinary resolution passed at a general meeting of the Company. One third of the Directors in office must retire at each annual general meeting. The Directors to retire will be those who have been longest in office since their last election. No Director shall hold office for more than three years, or past the third annual general meeting following its appointment or election, whichever is longer. Unless otherwise disqualified under the Act or the Articles of Association, a Director who retires or whose office is vacated will be eligible for re-election to the Board. There is no mandatory retirement age for Directors and there is no share qualification necessary to be held by Directors. The Board is currently of the view that the composition of the Board, including the CEO being an executive director, and not independent, is appropriate for the Company at this stage of its development.

SECTION 14: ADDITIONAL INFORMATION

Consents and Disclaimers

Kensington Secretaries Ltd. has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Southasia Advisory Sdn Bhd has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Tan Goh & Associates has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

BoardRoom Pty Ltd has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

AaronDanny has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Privacy

The Company collects personal information from investors for the purposes of maintaining its share register and administering interests in the Company. Protecting the privacy of Investors is a key part of the Company's normal operations.

The Company does not disclose personal information to any outside third party organization, unless it is contracted to the Company to provide administrative services or activities on the Company's behalf. In this case, the Company ensures that the third party is bound by the same privacy rules which itself follows.

The information may also be used from time to time and disclosed to persons inspecting the CDI register, bidders for your CDIs in the context of takeovers, regulatory bodies, authorised securities brokers, print services providers, mail houses and the Company CDI registry.

Please note that you can access, correct and update the personal information that we hold about you or an associated entity. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Information Memorandum.

Collection, maintenance and disclosure of certain personal information is governed by legislation and certain rules such as the Settlement Rules.

Rights of CDI Holders

With the exception of voting rights CDI Holders have the equivalent rights as holders of ordinary Shares whereby the security is registered in their own name. This means that all economic benefits such as dividends, bonus issues, rights issue or similar corporate actions flow through to the CDI Holders as if the CDI Holder were the legal owner.

The ASX Settlement Operating Rules require the Company to give notices to the CDI Holders of general meetings of shareholders. The notice of meeting must include a form permitting the CDI Holder to direct CDN to cast proxy votes in accordance with the CDI Holder's written directions. CDI Holders cannot vote directly at Shareholder meeting. The CDI Holder must convert their CDIs into certificated shares prior to the relevant meeting in order to vote at the meeting in person.

Converting from a CDI to a Share

Holders may at any time convert their holdings of CDIs (tradeable on NSX) to certificated Shares:

1. For CDIs held through the issuer sponsored sub-register, contacting BoardRoom in Australia directly to obtain the applicable request form. The removed holding would then be registered into the same address that appeared on the Australian CDI register; or
2. For CDIs held on CHESS sub-register, contacting their controlling participant (generally a stockbroker), who will liaise with BoardRoom in Australia to obtain and complete the request form.

Upon receipt of the request form, the relevant number of CIDs will be cancelled and Shares will be transferred from CDN into the name of the CDI Holder and a registered share certificate be issued. This will cause your Shares to be registered on the certificated Register of Members of the Company and trading will no longer be possible on NSX.

A holder of Shares may also convert their Shares to CDIs, subject to any escrow arrangements, by contacting BoardRoom of Australia or their stockbroker (or applicable controlling participant). In this case, the Shares registered in the Shareholder's name will be transferred to CDN and a holding statement in respect of the CDIs will be issued to the CDI Holder. The CDIs will be tradable on NSX.

SECTION 15: DEFINITION

“Articles”	means the articles of association of the Company for the time being and as amended from time to time;
“ASIC”	means the Australian Securities and Investment Commission;
“ASX”	means the Australian Stock Exchange Limited;
“CDI”	means a CHESS Depository Interest with each CDI being a unit of beneficial interest in one corresponding Share registered in the name of CDN;
“CDI Holder”	means a holder of a CDI;
“CDN”	means a CHESS Depository Nominees Pty Ltd ACN 071 346 506;
“CHESS”	means Clearing House Electronic Sub-register System;
“Company”	means Beaver Entech Limited a limited liability company incorporated in the Federal Territory of Labuan, Malaysia on 8 April 2015 with Company No LL11860 (ABRN 606 301 393) with its registered place of address at Kensington Gardens, No. U1317, Lot 7616, Jalan Jumidar Buyong, 87000 Federal Territory of Labuan, Malaysia;
“Corporations Act”	means the Australian Corporations Act 2001 (Commonwealth of Australia);
“Companies Act”	means the Labuan Companies Act 1990;
“CPC”	means CP Coatings Sdn Bhd (Company No 765972-T), a company incorporated in Malaysia and having its business address at No. 5-3, Jalan USJ 9/5Q, Subang Business Centre, 47620 Subang Jaya, which is a wholly owned subsidiary of CP Envisol Sdn Bhd as a result of Share Exchange Agreement 1;
“CPE”	means CP Envisol Sdn Bhd (Company No 765972-T), a company incorporated in Malaysia and having its

	business address at No. 5-3, Jalan USJ 9/5Q, Subang Business Centre, 47620 Subang Jaya, which is a wholly owned subsidiary of the Company as a result of Share Exchange Agreement 2;
CPE Vendors	means Ling Liong Lai, Tan Kui Chin, Bo Jow Yung, Tan Hwee Yong, Henry Dass A/L Vethamoney and Chew Keng Yaw, Tan Yew Ming ;
“Group”	means the Company, CP Envisol Sdn Bhd and CP Coatings Sdn Bhd;
“Listing Rules”	means the listing rules of the NSX;
“NSX”	means the National Stock Exchange of Australia;
“Settlement Rules”	means the ASX Settlement Operating Rules;
“Share Exchange Agreement 1”	means the Share Exchange Agreement dated 18 May 2015 entered into between the Vendors and CP Envisol Sdn Bhd in which the Vendors exchanged their shares in CPC for shares in CPE;
“Share Exchange Agreement 2”	means the Share Exchange Agreement dated 22 May 2015 entered into between the CPE-Vendors and the Company in which the Vendors exchanged their shares in CP Envisol Sdn Bhd for shares in the Company;
“Shares”	means 233,625,000 fully-paid ordinary shares of the Company, having the rights as set forth in the Articles of Association of the Company;
“Vendors”	means the then shareholders of Beaver Entech Limited namely, Ling Liong Lai, Tan Kui Chin, Bo Jow Yung, Tan Hwee Yong and Henry Dass A/L Vethamoney;

SECTION 16: GLOSSARY OF TECHNICAL TERMS

General Definitions

Companies, Authorities and Organisations

ASEAN	Association of South East Asian Nations
APEC	Asia Pacific Economic Cooperation
EU	European Union
ISO	International Standards Organisation
GDP	Gross Domestic Product
GNP	Gross National Product
PVC	polyvinyl chloride
PE	polyethylene
PP	polypropylene
U.S.	United States of America
NACE, USA	National Association of Corrosion Engineers, USA
Battelle	Battelle Columbus Laboratories
NIST	National Institute of Standards and Technology