

BEAVER ENTECH LIMITED
ARBN 606301393

AND ITS SUBSIDIARY COMPANIES
INTERIM FINANCIAL REPORT

FOR THE PERIOD FROM
1 JULY 2016 TO 31 DECEMBER 2016

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Result for Announcement to the Market

Reporting Period : Half year from 1 July 2016 to 31 December 2016

Key Information

	Half-year Ended 31 December 2016 USD \$
Revenue from ordinary activities	Down 75% to 62,238
Loss after tax from ordinary activities attributable to members	Down 60% to (20,318)
Net loss attributable to members	Down 47% to (27,109)

There were no dividends paid or proposed during the period ended in December 2016.

Explanation of Key Information and Dividends

The Group's revenue for the 6 months ended 31 December 2016 was USD\$62,238 which is 75% lower than the 31 December 2015 half year period. Beaver Solutions Sdn Bhd (formerly known as CP Coatings Sdn Bhd) being the operational company reported 6 months profit after tax of USD\$3,828. However, CP Envisol Sdn Bhd and Beaver Entech Limited being the investment holding company in Malaysia and Labuan, Federal Territory of Malaysia respectively incurred total expenses of USD\$24,146 mainly due to ongoing company half yearly expenses. This resulted in group net loss of USD\$23,139 in December 2016.

Net Tangible Assets per Share

Half-year Ended 31 December 2016 Cents/Share = 0.069

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

A new subsidiary Beaver Pineapple Sdn Bhd was incorporated on 29 August 2016 with total paid up capital of 2 shares at par value of RM1.00 each, where CP Envisol Sdn Bhd holds 100% shares. The new company was incorporated to undertake pineapple planting in Malaysia.

Dividend Reinvestment Plans

The Group does not have any dividend reinvestment plans.

Audit / Review of Financial Statement

The attached financial statements have been reviewed for the 6 months period ended 31 December 2016. The review report is attached.

Attachment

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

BEAVER ENTECH LIMITED
ARBN 606301393

AND ITS SUBSIDIARY COMPANIES
INTERIM FINANCIAL REPORT
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

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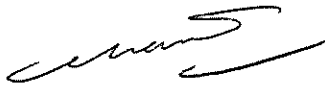
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BEAVER ENTECH LIMITED
ARBN 606301393

STATEMENT BY DIRECTORS

The directors of Beaver Entech Limited state that, in their opinion, the unaudited consolidated financial statements set out on pages 5 to are drawn up in accordance with Malaysia Financial Reporting Standards, MFRS 134: Interim Financial Reporting and International Financial Reporting Standards, IFRS 34: Interim Financial Standards so as to give a true and fair view of the financial position of the Group as of 31 December 2016 and of its financial performance and cash flows of the Group for the period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 20 March 2017



Dr. Ghauth Bin Jasmon
Director



Ir. Ling Liong Lai
Director

DIRECTOR'S REPORT

The directors present their report on the consolidated and its subsidiaries companies (referred to herein as the Group) consisting Beaver Entech Limited and its controlled subsidiaries companies for the half year ended 31 December 2016.

Directors

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

Dr. Ghauth Bin Jasmon

Ir. Ling Liong Lai

Dr. Tan Kui Chin

Principle Activities

The principle activity of the Company and its Subsidiary is in the provision of anti-corrosion solutions and services to general, marine, oil & gas industries and related engineering products, solutions and services and also bioremediation products and services. The company also plans to go into agricultural activities primarily in planting pineapples.

Review of Operations

The Group's revenue for the 6 months ended 31 December 2016 was USD62,238 which 75% lower than the 31 December 2015 half year period. Beaver Solutions Sdn Bhd (formerly known as CP Coatings Sdn Bhd) being the operational company reported 6 months profit after tax of USD3,828. However, CP Envisol Sdn Bhd and Beaver Entech Limited being the investment holding company in Malaysia and Labuan, Federal Territory of Malaysia respectively incurred total expenses of USD23,443 mainly due to ongoing company half yearly expenses. This resulted in group net loss after tax of USD20,318 in December 2016.

Auditor's Independence Declaration

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 4 for the half-year ended 31 December 2016.

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

Director 

Ir. Ling Liong Lai

Dated this 20th day of March 2017

BEAVER ENTECH LIMITED

ARBN 606301393

Unaudited Consolidated Financial Statements

♦ Chartered Accountants
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Selangor D.E., Malaysia

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**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF BEAVER ENTECH LIMITED**

Report on the Half-Year Financial Statements

We have reviewed the financial statements of BEAVER ENTECH LIMITED, which comprise the consolidated statement of financial position as at 31st December 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 1 July 2016 to 31 December 2016, and notes to the financial statements, including a summary of significant accounting policies, as set out on page 5 to 11.

Director's Responsibility for the Half-Year Financial Report

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

Auditor Responsibility

Our responsibility is to express a conclusion on the half-year financial statements based on our review. We conducted our review in accordance with Auditing Standards on Review Engagement ASRE 2410 Review of a Financial Report Performed by the Independence Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of matter that makes us believe that the financial statements is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Malaysia Financial Reporting Standards 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditors of BEAVER ENTECH LIMITED, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of a half-year financial statements consists of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standard on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

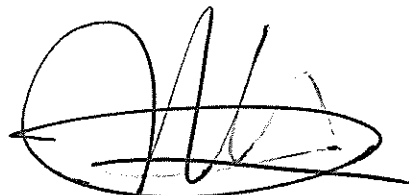
Auditors Independence Declaration under Section 307 C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016, there have been:

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



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



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

Date : 20 March 2017

BEAVER ENTECH LIMITED

ARBN 606301393

*Unaudited Consolidated Financial Statements***BEAVER ENTECH LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	As at 31 Dec 2016 USD	As at 30 June 2016 USD
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	378,881	403,470
Deferred tax assets	21,128	23,468
Total non-current assets	<u>400,009</u>	<u>426,938</u>
CURRENT ASSETS		
Inventories	21,796	17,612
Trade receivables	182,458	215,595
Other receivables and prepayment	1,127	4,464
Current tax assets	29,277	29,635
Fixed deposits placed with a licensed bank	73,655	81,813
Cash and bank balances	49,452	49,443
Total current assets	<u>357,765</u>	<u>398,562</u>
TOTAL ASSETS	<u>757,774</u>	<u>825,500</u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	934,501	934,501
Translation reserve	(52,306)	(45,515)
Accumulated losses	(719,974)	(699,656)
SHAREHOLDERS' EQUITY	<u>162,221</u>	<u>189,330</u>
NON-CURRENT LIABILITIES		
Term loans	<u>305,769</u>	<u>363,820</u>
CURRENT LIABILITIES		
Trade payables	11,397	57,578
Other payables and accruals	69,244	54,212
Short term borrowings	209,143	160,560
Total current liabilities	<u>289,784</u>	<u>272,350</u>
TOTAL LIABILITIES	<u>595,553</u>	<u>636,170</u>
TOTAL EQUITY AND LIABILITIES	<u>757,774</u>	<u>825,500</u>

BEAVER ENTECH LIMITED

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*Unaudited Consolidated Financial Statements***BEAVER ENTECH LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD
FROM 1 JULY 2016 TO 31 DECEMBER 2016**

	31 Dec 2016 USD	31 Dec 2015 USD
REVENUE	62,238	251,024
Cost of sales	<u>(3,515)</u>	<u>(184,577)</u>
Gross profit	<u>58,723</u>	<u>66,447</u>
Other income	3,533	-
Administrative and operating expenses	<u>(74,548)</u>	<u>(115,999)</u>
Loss from operations	(12,292)	(49,552)
Finance costs	<u>(6,817)</u>	<u>(1,491)</u>
Loss before tax	(19,109)	(51,043)
Income tax expense	<u>(1,209)</u>	<u>-</u>
Loss for the period	(20,318)	(51,043)
Other comprehensive income		
-Items that will not be reclassified subsequently to profit or loss		
-Exchange translation differences	<u>(6,791)</u>	<u>-</u>
Total comprehensive income for the period	<u>(27,109)</u>	<u>(51,043)</u>
 EARNINGS PER SHARE - BASIC AND DILUTED	 <u>(0.0001)</u>	 <u>(0.0002)</u>

BEAVER ENTECH LIMITED

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*Unaudited Consolidated Financial Statements***BEAVER ENTECH LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE PERIOD FROM 1 JULY 2016 TO 31 DECEMBER 2016**

	Share capital USD	Translation Reserve USD	Accumulated Losses USD	Total USD
As at 1 July 2016	934,501	(45,515)	(699,656)	189,330
Exchange translation differences	-	(6,791)	-	(6,791)
Loss for the period	<u>-</u>	<u>-</u>	<u>(20,318)</u>	<u>(20,318)</u>
As at 31 December 2016	<u>934,501</u>	<u>(52,306)</u>	<u>(719,974)</u>	<u>162,221</u>

BEAVER ENTECH LIMITED

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*Unaudited Consolidated Financial Statements***BEAVER ENTECH LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JULY 2016 TO 31 DECEMBER 2016**

	Period ended 31 Dec 2016 USD	Period ended 31 Dec 2015 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(19,109)	51,043
<i>Adjustments for:</i>		
Depreciation	24,589	2,548
Interest expense	6,817	-
Operating profit before working capital changes	12,297	53,591
(Increase)/Decrease in inventories	(4,184)	3,468
Decrease/(Increase) in receivables and other receivables	40,181	(117,909)
Decrease in payables and other payables	(31,149)	(102,841)
Cash generated from/(used in) operations	17,145	(163,691)
Interest paid	(6,817)	-
Tax paid	(851)	(2,420)
Net cash from/(used in) operating activities	9,477	(166,111)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	-	(4,660)
Net cash used in investing activities	-	(4,660)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	-	69,720
Repayment of short term borrowings	(58,107)	(1,413)
Net cash (used in)/from financing activities	(58,107)	68,307
Net decrease in cash and cash equivalents	(48,630)	(102,464)
Cash and cash equivalents at beginning of the period	(88,755)	163,242
Cash and cash equivalents at end of the period	(137,385)	60,778

BEAVER ENTECH LIMITED*ARBN 606301393**Unaudited Consolidated Financial Statements***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JULY 2016 TO 31 DECEMBER 2016****1 BASIS OF PREPARATION**

The interim financial statements for the period from 1 July 2016 to 31 December 2016 have been prepared in accordance with requirements of the Corporations Act 2001 and Malaysia Financial Reporting Standards, MFRS 134: Interim Financial Reporting and International Financial Reporting Standards, IFRS 34: Interim Financial Reporting. The Company is a for-profit entity, incorporated and domiciled in Federal Territory of Labuan.

This interim financial report is intended to provide users with an update on the annual financial statements of Beaver Entech Limited and its subsidiary companies (referred to as the “consolidated group” or “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the period ended 30 June 2016, together with any public announcements made during the following half-year.

This interim financial statements were authorized for issue on 20 March 2017.

2 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF ACCOUNTING

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

2.2 DIVIDENDS

No dividends have been paid or declared during the period.

BEAVER ENTECH LIMITED

ARBN 606301393

Unaudited Consolidated Financial Statements

2.3 BORROWINGS

	As at 31 Dec 2016 USD \$	As at 31 Dec 2015 USD \$
CURRENT		
Fixed loan	59,461	-
Bank overdraft	127,376	138,198
Term loan	<u>22,306</u>	<u>22,362</u>
	<u>209,143</u>	<u>160,560</u>
NON CURRENT		
Term loan repayable:		
Not later than 1 year	21,774	24,186
Later than 1 year but not more than 5 years	70,467	78,271
More than 5 years	<u>213,528</u>	<u>261,363</u>
	<u>305,769</u>	<u>363,820</u>

Term loan are secured by the underlying property, plant and equipment and the bank overdraft are secured by fixed deposits with a licensed bank.

The interest rate of the bank overdraft is 2.00% (31 December 2015: 2.00%) per annum over the bank's Base Lending Rate (BLR).

2.4 CASH AND CASH EQUIVALENTS

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

	31 Dec 2016 USD \$	31 Dec 2015 USD \$
Fixed deposits with a licensed bank	73,655	76,137
Cash and bank balances	<u>49,452</u>	<u>60,778</u>
	123,107	136,915
Less: Fixed deposits pledged with a licensed bank	(73,655)	(76,137)
Less: Bank overdraft	<u>(186,837)</u>	<u>-</u>
	<u>(137,385)</u>	<u>60,778</u>

2.5 CONTINGENT LIABILITIES

No contingent liabilities since the date of last annual reporting.

2.6 EVENTS OCCURRING AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since 31 December 2016 that have significantly affected the Group operations in future financial years, the result of those operations in future financial years or the Group state of affairs in future financial years.

2.7 RELATED PARTY TRANSACTIONS

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

Compensation of Key Management Personnel:

	31 Dec 2016 USD \$	31 Dec 2015 USD \$
Short-term employee benefits		
- Directors	<u>11,705</u>	<u>-</u>