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BEAVER GROUP (HOLDING) COMPANY LIMITED

永勤集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8275)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This voluntary announcement is made by Beaver Group (Holding) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep shareholders and potential investors of the Company informed of the latest business development of the Group.

DEVELOP NEW BUSINESS SEGMENTS

The Group is a foundation contractor primarily specialising in bored piling works as well as other foundation works. The Group is also engaged in leasing of machinery.

As discussed by the board of directors (the “**Board**”) of the Company, in order to enhance its future competitiveness and influence, the Group has a preliminary plan to develop new business segments in the field of technological innovation, including but not limited to smart construction technology and finance and fintech, on the basis of consolidating its existing businesses.

REASONS FOR DEVELOPING BUSINESS IN THE FIELD OF TECHNOLOGICAL AND INNOVATION

Chinese President Xi Jinping has explicitly supported Hong Kong to become an international innovation and technology hub. The “14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China (the “**PRC**”) and the Outline of Vision for 2035” (the “**14th Five-Year Plan**”) issued by the National People’s Congress of the People’s Republic of China set out the plan to develop China into an innovative country and a strong country in science and technology, proposed a development pattern of “domestic circulation and dual circulation” and stated clear support for Hong Kong’s development into an international innovation and technology hub.

According to report of the Innovation and Technology Bureau of Hong Kong, the Hong Kong government (the “**Government**”) has unprecedentedly invested over \$130 billion to promote innovation and technology development in eight major areas since 2017. In the future, to better complement the innovation and technology development of China, the Government has proposed forward-looking and ground breaking initiatives in the 2021 Policy Address. Currently, the Government has taken clear actions on the three major goals: (i) setting aside additional land and infrastructure development; (ii) promoting R&D and strengthening the talent pool; and (iii) supporting start-ups in gaining a foothold in the Greater Bay Area. Mainland China provides staunch support for Hong Kong’s innovation and technology development. In the future, the Government will continue to communicate closely with the relevant Central Government departments and the Guangdong Provincial Government to actively explore measures to facilitate further cross-boundary flow of innovation elements including talent, capital, information and technologies, such as enhancing the two way flow of talent within the Greater Bay Area.

The Board is of the view that the Group should not confine itself to its existing businesses and should diversify business portfolio, and respond to the trend of innovation and technology reform of China. With the Group’s presence in Hong Kong, we plan to gradually tap into new businesses oriented towards innovation and technology on the basis of consolidating its existing businesses by fully capitalizing on the advantages of the policies and resources provided by China.

REASONS FOR DEVELOPING NEW BUSINESS SEGMENT

Smart construction technology

On 1 March 2022, the Ministry of Housing and Urban-Rural Development of the PRC issued the “Development Plan of Housing and Urban-Rural Development Technology for the 14th Five-Year Plan” (《「十四五」住房和城鄉建設科技發展規劃》) (the “**Housing Plan**”), which set out that by 2025, the technological innovation capability in the housing and urban-rural development sector shall be significantly boosted and the technological innovation system will be further polished. Technology will become a major driving force in promoting green development of urban-rural construction, achieving the goal and mission of carbon peak, and supporting the transformation and upgrading the construction industry.

The Housing Plan proposed (i) to achieve a series of breakthroughs in critical and core technology and equipment, such as green and low-carbon, improvement in living environment quality, disaster prevention and mitigation, and City Information Modeling (CIM) platform, establish a series of advanced and applicable engineering technology system and develop a series of technology demonstration construction; (ii) to set up a series of construction technology innovation centers and major laboratories, support the formation of high-level innovation alliance, nurture a number of outstanding innovation teams and technology leaders, and build a series of popular science bases; and (iii) that the technology system, equipment system and standard system in key areas of housing and urban-rural development be further improved and the technology collaboration and innovation system supported by ministry-province cooperation and think tanks be strengthened to achieve fruitful technological transformation. International technological cooperation will be ramped up and technological innovation ecosystem will be significantly optimized.

The Company is aware of a huge new market in the field of smart construction technology in Mainland China in the future. The Company believes that it shall fully utilize the Group's development experience and expertise accumulated over the years in the construction industry, in combination with innovation and technology, to develop a new business segment in the field of smart construction technology, thereby achieving a crucial breakthrough in the business diversification of the Company. Through the development of a new business segment in the smart construction technology sector, it is expected that the Group would swiftly take part in the market under the 14th Five-Year Plan of the PRC to facilitate the overall development of the Group.

Finance and Fintech

The Hong Kong Monetary Authority (“**HKMA**”) reports that as one of the world's leading international financial centers, Hong Kong is not only the preferred location for financial services, but also home to many financial institutions, and that Hong Kong's financial markets operate under effective, transparent, and internationally compliant regulation. According to report of the Hong Kong Exchanges and Clearing Limited (“**HKEx**”), the HKEx raised \$318.9 billion in initial public offerings in 2021, with a very active new stock market and the successful launch of the HKEx's most successful futures product, the MSCI China A50 Connect Index Futures. In 2022, despite continued market volatility and geopolitical tensions, HKEx demonstrated strong resilience in the first quarter: the average daily trading amount of Bond Connect Northbound reached a new quarterly high of RMB33.9 billion; over 150 listing applications are being processed; and HKEx has welcomed a series of new products, such as the first SPAC listing in Hong Kong and the inclusion of the first meta-universe themed ETF, the first carbon futures ETF and the first Hong Kong ESG ETF. The HKEx also announced a number of important market enhancements, such as the upcoming launch of derivatives holiday trading and IR Connect.

According to the introduction of HKMA, financial technology, or fintech, is driving innovation in financial services globally and changing the nature of commerce and end-user expectations for financial services. While the term fintech may carry different meanings, it is now commonly considered to cover the application of artificial intelligence, blockchain, cloud computing, and big data in areas such as payments, clearing and settlement, deposits, lending and capital raising, insurance, investment management, and market support. On 31 December 2021, the People's Bank of China published Financial Technology Development Plan (2022–2025) (the “**Financial Plan**”), which is established according to the 14th Five-Year Plan. With strengthening the application of financial data elements as the foundation, deepening financial supply-side structural reform as the target, and accelerating digital transformation of financial institutions and enhancing prudential regulation of fintech as the main focus, it incorporated digital elements into the whole process of financial service, integrated digital mindset into the whole chain of business operation, and prioritized on technology driven and data empowering of financial innovation. The Financial Plan proposed key tasks of eight aspects: firstly, enhancing fintech governance; secondly, comprehensively strengthening construction of data ability; thirdly, constructing green and highly available data center; fourthly, deepening the financial application of digital technology; fifthly, optimizing the safe and efficient fintech innovation system; sixthly, deepening the intelligent reconstruction of financial services; seventhly, accelerating regulation on comprehensive applications of technology; eighthly, endeavouring to cultivate fintech talents.

HKMA has published the Fintech 2025 strategy on 18 June 2021 to promote the development of fintech in Hong Kong. According to the report of HKMA, with its strengths as an international financial centre and its unique advantage of having close links with Mainland China, Hong Kong has been the gateway to Mainland China and the largest global hub for offshore HKMA original no change business. According to the Fintech 2025 of HKMA and the Financial Plan of the People's Bank of China, the Board believes that 2025 will be a key point for the development of fintech in Hong Kong, during which time the financial industry of Hong Kong will continue evolving. In addition, it will be the most important move of Hong Kong's fintech development to open up the Guangdong-Hong Kong-Macao Greater Bay Area and connect Mainland China with Hong Kong by means of fintech, which will also be the biggest blue ocean for the financial and fintech market of Hong Kong in the future, followed by an explosive growth period of the development of fintech industry in Hong Kong. The Board believes that the finance and fintech industry has a promising prospect, and that developing finance and fintech will enable the Group to benefit from diversified revenue streams, as well as to carry out market deployment and preparation in advance for entering the Hong Kong financial services market which offers growth potential and better capital return.

By order of the Board
Beaver Group (Holding) Company Limited
Tang Kwai Leung Stanley
Chairman and Executive Director

Hong Kong, 13 May 2022

As at the date of this announcement, the Board comprises Mr. Tang Kwai Leung Stanley and Mr. Chui Koon Yau as executive Directors; and Mr. He Dingding, Ms. Chan Wan Ling Sammi and Ms. Liu Ching Man as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and will be published on the Company's website at www.beavergroup.com.hk.