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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF FINANCIAL ASSETS**

#### **THE DISPOSAL**

The Board hereby announces that on 16 June 2022, Triangular Force, an indirect wholly-owned subsidiary of the Company, as the policyholder and beneficiary of the Life Insurance Policies, submitted the relevant forms to Manulife for the Disposal and on 28 June 2022, was officially notified of the effective date, i.e. 23 June 2022, of the surrender of the Life Insurance Policies to Manulife at the Surrender Value of approximately US\$1,130,000 (equivalent to approximately HK\$8,863,000), which was receivable by cheque on settlement.

#### **GEM LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios calculated pursuant to Rule 19.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a disclosable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

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On 6 June 2019, Triangular Force entered into the Life Insurance Policies with Manulife to insure Mr. Tang and Mr. Chui, who are executive Directors of the Company. Under these policies, Triangular Force is the beneficiary and policyholder and Triangular Force can terminate the policy at any time and receive cash back based on the Surrender Value. The Company paid out the total insurance premium with an aggregate amount of approximately US\$1,274,000 (equivalent to approximately HK\$10,000,000) at the inception of the insurance. The total insured sum of the Life Insurance Policies was approximately US\$3,456,000 (equivalent to approximately HK\$26,955,000). The guaranteed interest of the Life Insurance Policies declared by Manulife is not less than the rate of 2.25% per annum.

The principal terms of the Disposal are set out below:

**Date**

23 June 2022

**Parties**

- (i) Triangular Force, as the policyholder and beneficiary; and
- (ii) Manulife, as the insurance company.

**Assets disposed**

Life Insurance Policies entered by Triangular Force to insure Mr. Tang and Mr. Chui in the total insured sum of approximately US\$3,456,000 (equivalent to approximately HK\$26,955,000).

**Surrender Value**

The Surrender Value received was approximately US\$1,130,000 (equivalent to approximately HK\$8,863,000), which represented the cash value of the Life Insurance Policies, which was determined by the insurance premium of the Life Insurance Policies plus the accumulated interest earned and minus the Surrender Charge and insurance costs.

**Surrender Charge**

Triangular Force paid Manulife a one-off Surrender Charge of approximately US\$142,000 (equivalent to approximately HK\$1,114,000) at the time of Disposal.

There has been no interest income recognised in the consolidated statement of profit or loss of the Group before Triangular Force terminates the Life Insurance Policies. The investment in the Life Insurance Policy had been accounted for as a financial asset at fair value through profit or loss in the Group’s audited consolidated financial statements for the year ended 31 March 2022 and the accumulated interests earned were reflected in the changes in fair value of the Life Insurance Policies.

Details of the Life Insurance Policies from the audited consolidated financial statements of the Group for the two financial years ended 31 March 2022 and 2021 are presented as follows:

	<b>For the year ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<i>(HK’000)</i>	<i>(HK’000)</i>
Change in fair value of financial assets at fair value through profit or loss (“FVTPL”)	143	191
	<b>As at 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<i>(HK’000)</i>	<i>(HK’000)</i>
Financial assets at FVTPL	8,761	8,618

As at the Disposal, the unaudited fair value of the life insurance policies was approximately US\$1,130,000 (equivalent to approximately HK\$8,863,000).

## **INFORMATION OF THE COMPANY AND TRIANGULAR FORCE**

The Company is an investment holding company. The Group is a foundation contractor primarily specialising in bored piling works as well as other foundation works. The Group is capable of installing bored piles with diameters ranging from 1.5 metres to 3 metres of various pile lengths. The Group has invested considerably in reinforcing its machinery and the Group possesses all necessary standard plant and machinery and equipment for its construction of bored piles. The Group is also engaged in leasing of machinery. Triangular Force is an indirectly wholly owned subsidiary of the Company. The principal activity of Triangular Force is provision of foundation works, ancillary services, and machinery rental services.

## **INFORMATION ABOUT MANULIFE**

Manulife is a company incorporated in in Bermuda with limited liability and is a wholly-owned subsidiary of Manulife Financial Corporation, a company listed on the Stock Exchange (stock code: 945). To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, (i) the principal activity of Manulife is provision of financial advice, insurance, as well as wealth and asset management solutions; and (ii) Manulife and its ultimate beneficial owners are Independent Third Parties.

## **FINANCIAL EFFECTS AND USE OF PROCEEDS OF THE DISPOSAL**

Based on the Surrender Value as at the time of the Disposal of approximately US\$1,130,000 (equivalent to approximately HK\$8,863,000) and the surrender value of the Life Insurance Policies as at 31 March 2022 of approximately US\$1,123,000 (equivalent to approximately HK\$8,761,000), the Group recognised a fair value gain of approximately HK\$102,000 from the Disposal. It is expected that the net proceeds from the Disposal will be used for (i) repayment of the principal and accrued interests of the loan from a Director and (ii) repayment of account payables.

## **REASONS AND BENEFITS OF THE DISPOSAL**

The Company is an investment holding company. The Group is a foundation contractor primarily specialising in bored piling works as well as other foundation works. The Group is capable of installing bored piles with diameters ranging from 1.5 metres to 3 metres of various pile lengths. The Group has invested considerably in reinforcing the machinery and the Group possesses all standard plant and machinery and equipment necessary for the construction of bored piles. The Group is also engaged in leasing of machinery. The Directors consider that the Disposal was entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

The Group surrendered the life insurance policies with the intention of improving the short-term cash flow of the Group and business operation and development of the Group. The Company had considered other fund-raising alternatives available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares.

The Group is of the view that debt financing will result in additional interest burden and will further increase the gearing ratio of the Group which is not beneficial to the Group given that the Group had incurred a net loss for the year ended 31 March 2021 and 2022 respectively. The Board also considers that financing the funding needs of the Group in the form of equity would take a longer time to complete.

In view of the above, the Directors consider that the terms of the Disposal are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios calculated pursuant to Rule 19.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a disclosable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Beaver Group Holding Company Limited, a company incorporated in the Cayman Island with limited liability the issued Shares of which are listed on GEM (stock code: 8275)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	surrender of the Life Insurance Policies at the request of Triangular Force which came into effect on 23 June 2022
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“GEM”	GEM operated by the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	Any person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons
“Life Insurance Policies”, each an “Insurance Policy”	the life insurance policies taken out by the Company with Manulife on 6 June 2019 to insure Mr. Tang and Mr. Chui
“Manulife”	Manulife (International) Limited, an Independent Third Party

“Mr. Chui”	Mr. Chui Koon Yau, an executive Director and a director of Triangular Force
“Mr. Tang”	Mr. Tang Kwai Leung Stanley, the chairman and an executive Director and a director of Triangular Force
“Parties”	Triangular Force and Manulife
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Surrender Charge”	a specified amount of surrender charge by Manulife in the event that the Disposal is made
“Surrender Value”	the cash value available to the policyholder on the surrender of the Life Insurance Policies
“Triangular Force”	Triangular Force Construction Engineering Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 28 June 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](http://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](http://www.beavergroup.com.hk).*