

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **STATE INNOVATION HOLDINGS LIMITED**

### **國科控股有限公司**

*(Formerly known as “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)**

## **(1) SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF CONVERTIBLE BOND UNDER SPECIFIC MANDATE AND (2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

Reference is made to the announcement of State Innovation Holdings Limited (formerly known as Beaver Group (Holding) Company Limited) (the “**Company**”) dated 23 May 2022 and 13 June 2022 (the “**Announcements**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements. This announcement is made to provide supplemental information in relation to the subject matter.

### **PLACING OF CONVERTIBLE BOND UNDER SPECIFIC MANDATE**

On 12 August 2022 (after trading hours), the Company entered into a supplemental agreement of the Placing Agreement (the “**Supplemental Agreement**”) with the Placing Agent, pursuant to which the initial conversion price of the Convertible Bond (II) is adjusted from HK\$0.8 to HK\$0.55 (the “**Adjustment**”). As a result of the Adjustment, assuming the Conversion Rights (II) are exercised in full at the Conversion Price (II), the maximum number of Conversion Shares (II) that may be allotted and issued is adjusted from 37,500,000 to 54,545,454.

The new conversion price of HK\$0.55 per Conversion Share (II) in respect of the Convertible Bond (II) (subject to the adjustment mechanisms as set out in the Announcements) represents:

- (i) A premium of approximately 57.14% over the closing price of HK\$0.35 per Share as quoted on the Stock Exchange on the date of the Supplemental Agreement;
- (ii) A premium of approximately 31.89% over the average closing price of approximately HK\$0.417 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Supplemental Agreement;
- (iii) A premium of approximately 15.18% over the average closing price of approximately HK\$0.4775 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to the date of the Supplemental Agreement.

The Adjustment was made after further arm's length negotiations between the Placing Agent and the Company. Having considered (i) prevailing macroeconomic environment, including rising interest rates and increasing borrowing costs, for instance, the 12-month Hong Kong interbank offered rate increased from 2.61% as at 23 May 2022 to 3.62% as at the date of this announcement; and (ii) prevailing market price of the Shares, in particular the average closing price of approximately HK\$0.417 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Supplemental Agreement, the Directors consider that the Conversion Price (II) is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors believe that the Convertible Bond (II) with the Conversion Price (II) of HK\$0.55 per Conversion Share (II) will pose as a more attractive investment opportunity and would significantly reduce the chance of undersubscription of the Placing.

For reasons as discussed below under the paragraph headed "Proposed Increase in Authorised Share Capital" in this announcement, pursuant to the Supplemental Agreement, the following shall be included as condition (d) to the conditions precedent to the Placing:

- the approval of the Shareholders at the EGM having been obtained in respect of the proposed increase in the authorised share capital of the Company from HK\$100,000,000 divided into 200,000,000 Shares to HK\$200,000,000 divided into 400,000,000 Shares by the creation of additional 200,000,000 Shares.

No amendments have been made in respect of original conditions (a) to (c) as conditions precedent to the Placing as set out in the Announcements.

Saved as the aforesaid, the Directors confirm that no amendments have been made to other principal terms of the Placing Agreement and the Convertible Bond (II). The Directors also confirm that no adjustments have been made to the conversion price of the Convertible Bond (I).

Assuming the Conversion Rights (II) are exercised in full at the Conversion Price (II), 54,545,454 new Shares, being the Conversion Shares (II), may be allotted and issued subject to the conversion restriction, representing approximately 40.4% of the existing issued share capital of the Company as of the date of this announcement and approximately 27.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date). The Conversion Share (II) will be allotted and issued under the Specific Mandate to be approved by the Shareholders at the EGM.

In the event that (i) Conversion Rights (I) having been exercised in full at the Conversion Price of HK\$0.8 per Conversion Share (I); and (ii) Conversion Rights (II) having been exercised in full at the Conversion Price (II) of HK\$0.55 per Conversion Share (II), a maximum of 67,045,454 Shares will be allotted and issued by the Company, representing (i) approximately 49.66% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 33.18% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming there is no other

change in the issued share capital of the Company from the date of this announcement up to the date of full conversion of the Convertible Bonds). The Conversion Shares will be allotted and issued under the Specific Mandate.

Set out is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon full conversion of the Convertible Bonds (assuming there will be no change in the total number of issued Shares from the date of this announcement up to the full conversion of the Convertible Bonds).

	<b>(i) As at the date of this announcement</b>		<b>(ii) Immediately upon full conversion of the Convertible Bonds (assuming there will be no change in the total number of issued Shares from the date of this announcement up to the full conversion of the Convertible Bonds)</b>	
<i>Substantial Shareholder</i>				
Ms. Wong Fei Heung Terbe (Notes 2 and 3)	21,790,000	16.14%	21,790,000	10.78%
China New Economy Fund Limited	26,358,750	19.53%	26,358,750	13.05%
Ms. Yip Nga Wan	–	–	12,500,000	6.19%
<i>Public Shareholders</i>				
Placee(s) to be procured by the Placing Agent	–	–	54,545,454	27.00%
Other Public Shareholders	<u>86,851,250</u>	<u>64.33%</u>	<u>86,851,250</u>	<u>42.99%</u>
Total	<u><u>135,000,000</u></u>	<u><u>100%</u></u>	<u><u>202,045,454</u></u>	<u><u>100%</u></u>

Notes:

1. This is for illustration purpose only. According to the Placing Agreement, a Bondholder shall not exercise any Conversion Rights, and the Company shall not be required to issue any Conversion Shares, if, as a result of the relevant exercise of the Conversion Rights, the Bondholder and/or parties acting in concert with it would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for the Shares held by the Company's other Shareholders.
2. Ms. Wong Fei Heung Terbe ("**Ms. Wong**") legally and beneficially owns the entire issued share capital of Success Run International Limited ("**Success Run**"). Therefore, Ms. Wong is deemed, or taken to be, interested in all the 18,350,000 Shares held by Success Run for the purpose of SFO. Ms. Wong is the sole director of Success Run.

3. Ms. Wong legally and beneficially owns the entire issued share capital of Lion Spring Enterprises Limited (“**Lion Spring**”). Therefore, Ms. Wong is deemed, or taken to be, interested in all the 3,440,000 Shares held by Lion Spring for the purpose of the SFO. Ms. Wong is the director of Lion Spring.

Save as disclosed above, all other information and content set out in the Announcements remain unchanged and shall continue to be valid for all purposes. This supplemental announcement is supplemental to and should be read in conjunction with the Announcements.

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company was HK\$100,000,000 divided into 200,000,000 Shares, of which 135,000,000 Shares had been issued and were fully paid or credited as fully paid up.

Catering to the potential conversion that may be effected following the proposed issue of the Convertible Bonds (after taking into account the Adjustment) and in order to accommodate future expansion and growth of the Group, the Board proposed to increase the authorised share capital of the Company from HK\$100,000,000 divided into 200,000,000 Shares to HK\$200,000,000 divided into 400,000,000 Shares by the creation of additional 200,000,000 Shares, all of which will rank pari passu with all existing Shares. The proposed increase in authorised share capital is conditional upon the passing of the ordinary resolutions by the Shareholders at the EGM.

The EGM will be convened for the purpose of considering and, if thought fit, approving the Acquisition Agreement and the Placing Agreement and the transactions contemplated thereunder, including the issue of the Convertible Bonds, the allotment and issue of the Conversion Shares, the grant of the Specific Mandate and the proposed increase in the authorised share capital of the Company. A circular containing, among other things, (i) further details of the Convertible Bonds; (ii) further details of the Placing Agreement; (iii) further details of the proposed increase in the authorised share capital of the Company; and (iv) a notice convening the EGM, will be despatched to the Shareholders in due course.

## **DEFINITION**

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

“Conversion Price (II)”	HK\$0.55 per Conversion Share (II) (subject to adjustment)
“Conversion Share (II)”	in the case of the Conversion Rights (II) of Convertible Bond (II) having been exercised in full, a maximum of 54,545,454 new Shares to be allotted and issued by the Company pursuant to the terms and conditions contained in the Convertible Bond (II), which, upon conversion of the Convertible Bonds in their entirety, shall represent approximately 27.00% of the issued shares capital of the Company as enlarged by the allotment and issue of the Conversion Shares

“Specific Mandate”

the specific mandate to be granted to the Directors to allot, issue and deal with not more than 67,045,454 Conversion Shares in aggregate at the EGM

By order of the Board  
**State Innovation Holdings Limited**  
**Tang Kwai Leung Stanley**  
*Chairman and Executive Director*

Hong Kong, 12 August 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 Tsz Hei Sammi (formerly known as 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).*