

*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.*

## **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)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2018**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Beaver Group (Holding) Company Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.*

## FIRST QUARTERLY RESULTS

The board of directors (the “**Board**”) of the Company presents the unaudited condensed consolidated results of the Group for the three months ended 30 June 2018, together with the unaudited comparative figures for the corresponding period in 2017, are as follows:

### Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the three months ended 30 June 2018

		<b>Three months ended</b>	
		<b>30 June</b>	
		<b>2018</b>	2017
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(unaudited)</b>	(unaudited)
<b>Revenue</b>	4	<b>39,547</b>	40,035
Cost of sales		<u>(32,588)</u>	<u>(33,471)</u>
<b>Gross profit</b>		<b>6,959</b>	6,564
Other income		<b>23</b>	—
Administrative expenses		<u>(2,936)</u>	<u>(6,525)</u>
<b>Profit from operations</b>		<b>4,046</b>	39
Finance costs	6	<u>(158)</u>	<u>(134)</u>
<b>Profit/(loss) before tax</b>		<b>3,888</b>	(95)
Income tax expenses	7	<u>(462)</u>	<u>(329)</u>
<b>Profit/(loss) for the period attributable to owners of the Company</b>		<u><b>3,426</b></u>	<u>(424)</u>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences arising on translating foreign operations		<u>36</u>	<u>139</u>
<b>Other comprehensive income for the period, net of tax</b>		<u><b>36</b></u>	<u>139</u>
<b>Total comprehensive income/(expense) for the period attributable to owners of the Company</b>		<u><b>3,462</b></u>	<u>(285)</u>
<b>Earnings/(loss) per share</b>			
Basic and diluted (HK cents)	9	<u><b>0.57</b></u>	<u>(0.09)</u>

## Notes to the Unaudited Condensed Consolidated Financial Statements

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 3 January 2017. The address of its registered office is at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108 Cayman Islands. The address of its principal place of business is Room 1815, 18/F, Tsuen Wan Industrial Centre, 220–248 Texaco Road, Tsuen Wan. The Company's shares are listed on GEM of the Stock Exchange on 16 October 2017.

The Company is an investment holding company. The Group principally engages in provision of foundation works, ancillary services and machinery leasing.

In the opinion of the directors of the Company, as at 30 June 2018, Hunter Corporate Limited (“**Hunter Corporate**”), a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability, and C3J Development Limited (“**C3J Development**”), a company incorporated in the BVI with limited liability, are the ultimate holding companies; and Mr. Chui Koon Yau (“**Mr. Chui**”) and Mr. Tang Kwai Leung Stanley (“**Mr. Tang**”), being the sole shareholder of Hunter Corporate and C3J Development respectively, are the ultimate controlling parties of the Company (collectively known as the “**Controlling Shareholders**”).

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2018 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2018. The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 March 2018.

In the current period, the Group has adopted all new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2018. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not have any significant effect on the unaudited condensed consolidated financial statements.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands (“**HK\$’000**”), unless otherwise indicated.

The preparation of the unaudited condensed consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Group.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee (the “**Audit Committee**”).

### 3. BASIS OF PRESENTATION

In the preparation for the proposed listing of its shares on GEM of the Stock Exchange (“**Listing**”), the Group has undergone group reorganisation (the “**Group Reorganisation**”), as more fully explained in the section headed “History, Reorganisation and Group Structure” in the prospectus dated 29 September 2017 (the “**Prospectus**”). Pursuant to the Group Reorganisation, the Company became the holding company of the companies now comprising the Group on 23 March 2017.

As the Group Reorganisation is undertaken to incorporate the Company as an ultimate holding company, the Group is a continuation of the existing group. The companies now comprising the Group were under common control of the Controlling Shareholders before and after the Group Reorganisation.

This announcement has been prepared in accordance with the principles of merger accounting as set out in Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the HKICPA. The unaudited condensed consolidated statement of profit or loss and other comprehensive income include the results and cash flows of the companies now comprising the Group pursuant to the Group Reorganisation as if the Group structure had been in existence throughout the period or since their respective dates of incorporation or establishment where this is a shorter period.

The unaudited condensed consolidated statements of the Group as at 30 June 2017 have been prepared in accordance with the principles of merger accounting to present the assets and liabilities of the companies now comprising the Group as if the Group current structure had been in existence as at those dates.

### 4. REVENUE

An analysis of the Group’s revenue is as follows:

	<b>Three months ended 30 June</b>	
	<b>2018</b>	<b>2017</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Construction contract income	<b>35,101</b>	40,035
Ancillary service income	<b>1,819</b>	—
Rental income from machinery	<b>2,627</b>	—
	<b><u>39,547</u></b>	<b><u>40,035</u></b>

## 5. SEGMENT INFORMATION

### Operating segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the respective segments and to assess their performance. As the Group principally engages in the provision of foundation work, ancillary services and machinery leasing, which are subject to similar business risks, and resources are allocated based on what is beneficial to the Group in enhancing the value of the Group as a whole, the Group's chief operating decision maker considers the performance assessment of the Group should be based on the profit before tax of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8 "Operating Segments".

### Geographical information

#### Revenue from external customers

The Group's activities are conducted predominantly in Hong Kong and Macau. The following table provides an analysis of the Group's revenue by geographical location:

	Three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong	35,084	15,650
Macau	4,463	24,385
	<u>39,547</u>	<u>40,035</u>

#### Revenue from major customers

The Group's customer base for whom transactions have exceeded 10% of the Group's total revenue during the period is set out as below:

	Three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Customer 1	8,670	N/A <sup>1</sup>
Customer 2	4,846	—
Customer 3	4,463	26,116
Customer 4	4,360	—
Customer 5	4,021	—

<sup>1</sup> The corresponding revenue did not contribute over 10% of total revenue of the Group.

## 6. FINANCE COSTS

	Three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on:		
— bank borrowings	142	106
— finance leases	16	28
	<u>158</u>	<u>134</u>

## 7. INCOME TAX EXPENSES

	Three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax — Hong Kong Profits Tax		
Provision for the period	303	178
Current tax — Macau Corporate Income Tax		
Provision for the period	41	527
Deferred taxation	<u>118</u>	<u>(376)</u>
	<u>462</u>	<u>329</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (2017: 16.5%) based on the assessable profit for the periods less allowable losses brought forward.

Pursuant to the relevant laws and regulations in Macau, the Macau subsidiary is subject to Macau complementary tax at a maximum rate of 12% (2017: 12%) on the estimated assessable profit during the periods.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

## 8. DIVIDENDS

The Board does not recommend the payment of dividend for the three months ended 30 June 2018 (2017: Nil).

## 9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company are based on the following:

	Three months ended 30 June	
	2018 (unaudited)	2017 (unaudited)
Profit/(loss) for the period attributable to owners of the Company (HK\$'000)	3,426	(424)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings/loss per share ('000)	600,000	450,000
Earnings/(loss) per share Basic and diluted (HK cents)	<u>0.57</u>	<u>(0.09)</u>

The weighted average number of ordinary shares in issue during the period ended 30 June 2018 was derived from 600,000,000 ordinary shares in issue.

The weighted average number of ordinary shares in issue during the period ended 30 June 2017 is based on the assumption that 450,000,000 shares of the Company were in issue, comprising 16,000 shares being issued pursuant to the Group Reorganisation and 449,984,000 shares being issued pursuant to the capitalisation issue, and as if these shares were outstanding throughout the period.

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there were no dilutive potential ordinary shares in issue for the periods ended 30 June 2018 and 2017.

## 10. RESERVES

During the three months ended 30 June 2018, there was no movement in reserves of the Group other than the retained profits of approximately HK\$3,426,000 (for the three months ended 30 June 2017: loss of approximately HK\$424,000) and the foreign currency translation reserve of approximately HK\$36,000 (for the three months ended 30 June 2017: approximately HK\$139,000).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business Review**

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 also engaged in leasing of machinery starting from this period.

For the three months ended 30 June 2018, the Group recorded net profit of approximately HK\$3.4 million as compared to net loss of approximately HK\$0.4 million for the same period in 2017. The net profit earned by the Group during the three months ended 30 June 2018 as comparing with loss for the same period in 2017 was primarily due to the recognition of non-recurring listing expenses of approximately HK\$3.5 million during the three months ended 30 June 2017. In view that the Group has used exerted efforts to diversify the Group's income source and pursue more profitable foundation works projects, such efforts included newly engaged projects in Happy Valley, Tai Kwok Tsui and Kowloon Bay and that the net proceeds from the share offer of the shares of the Company can expand the Group's operational capacity, the Directors are cautiously optimistic about the Group's business outlook.

### **Outlook**

The shares of the Company were listed on GEM on 16 October 2017. The Group always strives to improve its operation efficiency and profitability of its business. The Group will also proactively seek potential business opportunities that will broaden the sources of income and enhance value to its shareholders. Such efforts will include the leasing of machinery to improve the machinery utilisation. The net proceeds from the share offer of the shares of the Company thereby provide financial resources to the Group to meet and achieve its business opportunities and strategies which will further strengthen the Group's market position in foundation and site formation works and bored piling works.

### **Financial Review**

#### ***Revenue***

The Group's revenue for the three months ended 30 June 2018 was approximately HK\$39.5 million, representing a decrease of approximately 1.3% from approximately HK\$40.0 million for the three months ended 30 June 2017, which was primarily due to the significant portion of bored piling project in Macau have been recognised during the three months ended 30 June 2017 and no commencement of sizable project during the reporting period.

### ***Cost of Sales***

The Group's cost of sales for the three months ended 30 June 2018 was approximately HK\$32.6 million, representing a slight decrease of approximately 2.7% from approximately HK\$33.5 million for the three months ended 30 June 2017, which was primarily due to decrease in direct costs, such as costs of construction materials and transportation expenses as a result of the decreasing construction activities of the projects undertaken for the reporting period.

### ***Gross Profit and Gross Profit Margin***

The Group's gross profit for the three months ended 30 June 2018 was approximately HK\$7.0 million, representing a slight increase of approximately 6.1% from approximately HK\$6.6 million for the three months ended 30 June 2017. The Group's gross profit margin increased from approximately 16.4% to 17.6% for the period of comparison. The increase in both gross profit and gross profit margin were attributable to the rental income from machinery leasing amounted to approximately HK\$2.6 million during the three months ended 30 June 2018.

### ***Administrative Expenses***

The Group's administrative expenses for the three months ended 30 June 2018 were approximately HK\$2.9 million, representing a decrease of approximately 55.4% from approximately HK\$6.5 million for the three months ended 30 June 2017. The decrease was mainly attributable to the recognition of non-recurring listing expenses of approximately HK\$3.5 million during the three months ended 30 June 2017.

### ***Profit/(loss) for the Period***

For the three months ended 30 June 2018, the Group recorded profit attributed to owners of the Company of approximately HK\$3.4 million as compared to loss attributed to owners for the three months ended 30 June 2017 of approximately HK\$0.4 million. The increase was mainly attributable to the recognition of non-recurring listing expenses of approximately HK\$3.5 million during the three months ended 30 June 2017 and the rental income from machinery leasing amounted to approximately HK\$2.6 million during the three months ended 30 June 2018.

### ***Dividend***

The Board does not recommend the payment of dividend for the three months ended 30 June 2018 (three months ended 30 June 2017: Nil).

## OTHER INFORMATION

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 June 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### *Long positions in ordinary shares and underlying shares of the Company*

<b>Name of Director/ chief executive</b>	<b>Capacity/Nature of interest</b>	<b>Number of shares held/ interested</b>	<b>Approximate percentage of shareholding</b>
Mr. Tang ( <i>Note 1</i> )	Interest of a controlled corporation	225,000,000	37.5%
Mr. Chui ( <i>Note 2</i> )	Interest of a controlled corporation	225,000,000	37.5%

#### *Notes:*

1. Mr. Tang legally and beneficially owns the entire issued share capital of C3J Development. Therefore, Mr. Tang is deemed, or taken to be, interested in all the shares held by C3J Development for the purpose of the SFO. Mr. Tang is the sole director of C3J Development.
2. Mr. Chui legally and beneficially owns the entire issued share capital of Hunter Corporate. Therefore, Mr. Chui is deemed, or taken to be, interested in all the shares held by Hunter Corporate for the purpose of the SFO. Mr. Chui is the sole director of Hunter Corporate.

Save as disclosed above, as at 30 June 2018, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## **Substantial and Other Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company**

So far as known to the Directors or chief executives of the Company, as at 30 June 2018, the following persons/entities (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

### ***Long positions in ordinary shares and underlying shares of the Company***

<b>Name of Shareholder</b>	<b>Capacity/Nature of interest</b>	<b>Number of Shares held/interested</b>	<b>Approximate percentage of shareholding</b>
C3J Development ( <i>Note 1</i> )	Beneficial owner	225,000,000	37.5%
Ms. Lam Ka Yi ( <i>Note 1</i> )	Interest of spouse	225,000,000	37.5%
Hunter Corporate ( <i>Note 2</i> )	Beneficial owner	225,000,000	37.5%
Ms. Wong Kit Chun ( <i>Note 2</i> )	Interest of spouse	225,000,000	37.5%

#### *Notes:*

1. Ms. Lam Ka Yi is the spouse of Mr. Tang. Mr. Tang legally and beneficially owns the entire issued share capital of C3J Development. Therefore, Ms. Lam Ka Yi is deemed, or taken to be, interested in all the shares held by C3J Development for the purpose of the SFO.
2. Ms. Wong Kit Chun is the spouse of Mr. Chui. Mr. Chui legally and beneficially owns the entire share capital of Hunter Corporate. Therefore, Ms. Wong Kit Chun is deemed, or taken to be, interested in all the shares held by Hunter Corporate for the purpose of the SFO.

Save as disclosed above, as at 30 June 2018, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and chief executives' interest and short positions in shares, underlying shares and debenture of the Company" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were

directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

### **Purchase, Sale or Redemption of Listed Securities of the Company**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2018.

### **Competition and Conflict of Interest**

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of its respective closed associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interest with the Group during the three months ended 30 June 2018.

### **Non-Competition Undertakings**

In order to avoid any possible future competition between the Group and the Controlling Shareholders, Mr. Tang, Mr. Chui, C3J Development and Hunter Corporate (each a “**Covenantor**” and collectively the “**Covenantors**”) have entered into the Deed of Non-competition with the Company (for itself and for the benefit of each other member of the Group) on 22 September 2017. Pursuant to the Deed of Non-competition, each of the Covenantors has irrevocably and unconditionally undertaken to the Company (for itself and as trustee for its subsidiaries) that, during the period that the Deed of Non-competition remain effective, he/it shall not, and shall procure that his/its associates (other than any member of the Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested or otherwise be involved, whether directly or indirectly, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group.

Each of the Covenantors further undertakes that if any of he/it or his/its close associates other than any member of the Group is offered or becomes aware of any business opportunity which may compete with the business of the Group, he/it shall (and he/it shall procure his/its associates to) notify the Group in writing and the Group shall have a right of first refusal to take up such business opportunity. The Group shall, within 6 months after receipt of the written notice (or such longer period if the Group is required to complete any approval procedures as set out under the GEM Listing Rules from time to time), notify the Covenantor(s) whether the Group will exercise the right of first refusal or not.

The Group shall only exercise the right of first refusal upon the approval of all the independent non-executive Directors (who do not have any interest in such opportunity). The relevant Covenantor(s) and the other conflicting Directors (if any) shall abstain from participating in and voting at and shall not be counted as quorum at all meetings of the Board where there is a conflict of interest or potential conflict of interest including but not limited to the relevant meeting of the independent non-executive Directors for considering whether or not to exercise the right of first refusal.

Each of the Covenantors also gave certain non-competition undertakings under the Deed of Non-Competition as set out in the paragraph headed “Relationship with Controlling Shareholders — Non-Competition Undertaking” in the Prospectus.

### **Directors’ Securities Transactions**

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company (the “**Required Standard of Dealing**”). Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Required Standard of Dealing and the code of conduct for securities transactions by the Directors during the three months ended 30 June 2018.

### **Share Option Scheme**

The purpose of the share option scheme of the Company (the “**Share Option Scheme**”) is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to it. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The Company has adopted the Share Option Scheme on 22 September 2017. Further details of the Share Option Scheme are set in the section headed “Statutory and General Information — D. Share Option Scheme” in Appendix IV to the Prospectus.

For the three months ended 30 June 2018, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

### **Interests of the Compliance Adviser**

As confirmed by the Company’s compliance adviser, Frontpage Capital Limited (the “**Compliance Adviser**”), save for the compliance adviser agreement entered into between the Company and the Compliance Adviser, none of the Compliance Adviser or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

### **Corporate Governance Practice**

The Board considers good corporate governance is a key element in managing the business and affairs of the Group. The management of the Group periodically reviews and proposes amendments to its corporate governance practices for compliance with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 of the GEM Listing Rules. Throughout the reporting period, to the best knowledge of the Board, the Company has complied with all applicable code provisions set out in the CG Code.

## **Audit Committee**

The Audit Committee was established on 22 September 2017. The chairman of the Audit Committee is Mr. Leung Wai Hung, the independent non-executive Director, and other members include Mr. Cheung Chung Chuen George and Mr. Law Ching Ning Paschal, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the Stock Exchange's website and on the Company's website.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Group's unaudited condensed consolidated financial statements for the three months ended 30 June 2018 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2018 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 9 August 2018

*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. Cheung Chung Chuen George, Mr. Leung Wai Hung and Mr. Law Ching Ning Paschal as independent non-executive Directors.*

*This announcement will remain on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on the "Latest 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).*