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# **Blue River Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 498)**

## **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

The board of directors (the “**Board**”) of Blue River Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2023.

**RESULTS**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
*For the six months ended 30 September 2023*

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2023</b>	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(Restated)
<b>Continuing operations</b>			
Revenue			
Sales and services income	3	29,672	43,289
Interest income	3	8,638	184
Rental income	3	900	-
		<hr/>	<hr/>
		39,210	43,473
Cost of sales		<b>(22,469)</b>	<b>(37,264)</b>
		<hr/>	<hr/>
Gross profit		16,741	6,209
Other income	5	50	1,945
Administrative expenses		<b>(54,581)</b>	<b>(47,612)</b>
Distribution and selling expenses		<b>(7,961)</b>	<b>(7,870)</b>
Other gains and losses	6	<b>(9,980)</b>	<b>(15,240)</b>
Impairment loss reversed on financial assets	7	24,399	600
Finance costs	8	<b>(4,637)</b>	<b>(4,907)</b>
Fair value changes of investment properties		<b>(7,800)</b>	-
Share of results of associates		<b>(35,977)</b>	25,472
Share of results of joint ventures		<b>(1,911)</b>	<b>(1,955)</b>
		<hr/>	<hr/>
Loss before taxation	9	<b>(81,657)</b>	<b>(43,358)</b>
Taxation	10	<b>(122)</b>	<b>(207)</b>
		<hr/>	<hr/>
Loss for the period from continuing operations		<b>(81,779)</b>	<b>(43,565)</b>
<b>Discontinued operations</b>			
Loss for the period from discontinued operations	11	-	<b>(176,354)</b>
		<hr/>	<hr/>
Loss for the period		<b>(81,779)</b>	<b>(219,919)</b>
		<hr/>	<hr/>

**RESULTS**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
*For the six months ended 30 September 2023*

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
Loss for the period attributable to:		
Owners of the Company		
- from continuing operations	<b>(81,797)</b>	(43,565)
- from discontinued operations	-	(125,865)
	<hr/> <b>(81,797)</b> <hr/>	<hr/> (169,430) <hr/>
Non-controlling interests		
- from continuing operations	<b>18</b>	-
- from discontinued operations	-	(50,489)
	<hr/> <b>18</b> <hr/>	<hr/> (50,489) <hr/>
	<hr/> <b>(81,779)</b> <hr/>	<hr/> (219,919) <hr/>
	<i>Notes</i>	
	<b>2023</b>	2022
	<i>HK cents</i>	<i>HK cents</i>
		(Restated)
Loss per share		
Basic and diluted		
- from continuing operations	<b>(7.9)</b>	(3.9)
- from discontinued operations	-	(11.4)
	<hr/> <b>(7.9)</b> <hr/>	<hr/> (15.3) <hr/>

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 September 2023*

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
Loss for the period	<b>(81,779)</b>	(219,919)
<b>OTHER COMPREHENSIVE (EXPENSE) INCOME</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Change in fair value of financial assets measured at fair value through other comprehensive income (“FVOCI”)	<b>(20,231)</b>	(57,453)
Share of other comprehensive income (expense) of associates	<b>3,264</b>	(305)
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising from translation of foreign operations	<b>(3,043)</b>	(74,878)
Other comprehensive expense for the period	<b>(20,010)</b>	(132,636)
Total comprehensive expense for the period	<b>(101,789)</b>	(352,555)
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company		
- from continuing operations	<b>(101,807)</b>	(102,051)
- from discontinued operations	-	(182,648)
	<b>(101,807)</b>	(284,699)
Non-controlling interests		
- from continuing operations	<b>18</b>	-
- from discontinued operations	-	(67,856)
	<b>18</b>	(67,856)
	<b>(101,789)</b>	(352,555)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 30 September 2023*

	<i>Notes</i>	<b>Unaudited 30.9.2023 HK\$'000</b>	Audited 31.3.2023 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>24,033</b>	26,684
Right-of-use assets		<b>36,694</b>	51,670
Investment properties		<b>55,500</b>	63,300
Intangible assets		<b>1,077</b>	1,156
Interests in associates		<b>877,991</b>	767,904
Interests in joint ventures		<b>13,501</b>	14,812
Financial assets measured at FVOCI		<b>303,057</b>	202,975
		<b>1,311,853</b>	1,128,501
<b>CURRENT ASSETS</b>			
Inventories of finished goods		<b>69</b>	66
Amounts due from former subsidiaries in liquidation	<i>14</i>	<b>19,559</b>	20,865
Trade and other receivables	<i>15</i>	<b>25,071</b>	25,188
Short-term bank deposits		<b>10,730</b>	3,425
Bank balances and cash		<b>31,726</b>	770,811
		<b>87,155</b>	820,355
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>16</i>	<b>41,956</b>	38,388
Contract liabilities		<b>263</b>	1,535
Lease liabilities		<b>9,050</b>	10,053
Amounts due to former subsidiaries in liquidation	<i>14</i>	<b>-</b>	27
Amounts due to non-controlling shareholders		<b>8,891</b>	8,891
Taxation payable		<b>976</b>	1,590
Bank and other borrowings		<b>87,960</b>	532,991
		<b>149,096</b>	593,475
<b>NET CURRENT (LIABILITIES) ASSETS</b>		<b>(61,941)</b>	226,880
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,249,912</b>	1,355,381

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 30 September 2023*

	Unaudited 30.9.2023 <i>HK\$'000</i>	Audited 31.3.2023 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Bank and other borrowings	1,252	1,998
Lease liabilities	6,666	9,581
Deferred tax liabilities	218	237
	<b>8,136</b>	11,816
<b>NET ASSETS</b>	<b>1,241,776</b>	1,343,565
<b>CAPITAL AND RESERVES</b>		
Share capital	104,095	104,095
Reserves	1,146,645	1,248,452
	<b>1,250,740</b>	1,352,547
Equity attributable to owners of the Company	1,250,740	1,352,547
Non-controlling interests	(8,964)	(8,982)
	<b>1,241,776</b>	1,343,565
<b>TOTAL EQUITY</b>	<b>1,241,776</b>	1,343,565

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL

Blue River Holdings Limited (the “**Company**”) is an exempted company incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

The Company and its subsidiaries (together the “**Group**”) is principally engaged in, *inter alia*, development and operation of ports, infrastructure, gas distribution and logistics facilities in the People’s Republic of China (the “**PRC**”), property investment, securities trading and investment, and provision of financing related services.

The Group was also engaged in providing comprehensive engineering and property-related services through Paul Y. Engineering Group Limited (“**Paul Y. Engineering**”) and land and property development and investment in the PRC, which were discontinued during the last year.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2023.

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and financial assets measured at fair value through other comprehensive income, which are measured at fair value.

As at 30 September 2023, the Group’s current liabilities exceeded its current assets by HK\$61,941,000. The directors of the Company have a reasonable expectation that the Group has sufficient working capital, including the credit facilities available, to continue in operational existence for the foreseeable future. Accordingly, these condensed consolidated financial statements have been prepared on a going concern basis.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES – CONTINUED

The accounting policies adopted in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those adopted in the Group’s annual financial statements for the year ended 31 March 2023 except for the application of the following new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2023:

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International tax reform – Pillar Two model rules

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 3. REVENUE

Revenue from continuing operations is analysed as follows:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>
		(Restated)
<b>Continuing operations</b>		
Sales and services income:		
Income from port related services	<b>1,153</b>	843
Sale of LPG and CNG products	<b>28,519</b>	42,446
	<b>29,672</b>	43,289
Interest income:		
Interest income from loan receivables	<b>8,638</b>	184
Rental income:		
Rental income from investment properties	<b>900</b>	-
	<b>39,210</b>	43,473

Revenue from contracts with customers includes (i) income from port related services that are recognised over time and (ii) revenue from sale of liquefied petroleum gas (“**LPG**”) and compressed natural gas (“**CNG**”) products that are recognised at a point in time.

#### 4. SEGMENT INFORMATION

The operating segments of the Group are determined based on information reported to executive directors, the Group's chief operating decision makers, for the purposes of resources allocation and performance assessment. The information focuses more specifically on the strategic operation and development of each business unit and its performance is evaluated through organising business units with similar economic characteristics into an operating segment.

As disclosed in Note 11, the comprehensive engineering and property-related services provided through Paul Y. Engineering and the land and property development and investment business in the PRC are classified as discontinued operations of the Group and their operating results are presented separately from the continuing operations of the Group.

In assessing the performance of the operating segments, certain non-operating items which were not directly related to the segment's operating performance would not be taken into account. Accordingly, (i) corporate and other expenses (including impairment loss on right-of-use assets) which are not directly related to the performance of the operating segments; (ii) net exchange gain/loss which are mainly arising from intra-company loans; (iii) impairment allowance reversed on amounts due from the former subsidiaries in liquidation; and (iv) finance costs driven by the Group's financing decisions were adjusted out from the loss before taxation in arriving at the segment results (equivalent to the adjusted loss or earnings before interest expenses and tax used for performance evaluation in prior years). Following the disposal of certain capital-intensive businesses, the reporting of segment performance no longer excludes depreciation and amortisation, as their relative significance has diminished.

The corresponding information for the period ended 30 September 2022 is restated to conform to the current period's presentation.

The Group's operating and reportable segments for the current period are as follows:

##### **Continuing operations**

Ports and logistics	- Ports development, operation of ports, LPG, CNG and liquefied natural gas ("LNG") distribution and logistics businesses
Property	- Investment and leasing of real estate properties (other than in the PRC)
Securities	- Investment and trading of securities
Financial services	- Provision of loan financing, financial related services and cash management

##### **Discontinued operations**

Engineering	- Building construction, civil engineering, property development management, project management and facilities management services
PRC property	- Development, investment, sale and leasing of real estate properties, developed land, land under development and projects under development in the PRC

#### 4. SEGMENT INFORMATION – CONTINUED

##### Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment for the period under review:

For the six months ended 30 September 2023 (Unaudited)

	Continuing operations					Discontinued operations			Segment total and consolidated HK\$'000
	Ports and logistics HK\$'000	Property HK\$'000	Securities HK\$'000	Financial services HK\$'000	Sub-total HK\$'000	Engineering HK\$'000	PRC Property HK\$'000	Sub-total HK\$'000	
Revenue	29,672	900	-	8,638	39,210	-	-	-	39,210
Segment results	(5,563)	(13,184)	(10)	(21,230)	(39,987)	-	-	-	(39,987)
Corporate and other expenses					(51,373)				(51,373)
Impairment loss on right-of-use assets					(8,000)				(8,000)
Net exchange loss					(2,059)				(2,059)
Finance costs					(4,637)				(4,637)
Impairment loss reversed on amounts due from former subsidiaries in liquidation					24,399				24,399
Loss before taxation					(81,657)				(81,657)
Taxation					(122)				(122)
Loss for the period					(81,779)				(81,779)

For the six months ended 30 September 2022 (Restated and unaudited)

	Continuing operations					Discontinued operations			Segment total and consolidated HK\$'000
	Ports and logistics HK\$'000	Property HK\$'000	Securities HK\$'000	Financial services HK\$'000	Sub-total HK\$'000	Engineering HK\$'000	PRC Property HK\$'000	Sub-total HK\$'000	
Revenue	43,289	-	-	184	43,473	4,569,553	6,824	4,576,377	4,619,850
Segment results	(6,631)	1,751	655	21,637	17,412	13,233	(173,735)	(160,502)	(143,090)
Corporate and other expenses					(40,630)				(40,630)
Net exchange loss					(15,233)			(1,549)	(16,782)
Finance costs					(4,907)			(33,948)	(38,855)
Loss before taxation					(43,358)			(195,999)	(239,357)
Taxation					(207)			19,645	19,438
Loss for the period					(43,565)			(176,354)	(219,919)

#### 4. SEGMENT INFORMATION – CONTINUED

##### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

At 30 September 2023 (Unaudited)

	Ports and logistics <i>HK\$'000</i>	Property <i>HK\$'000</i>	Securities <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Segment total and consolidated <i>HK\$'000</i>
<b>ASSETS</b>					
Segment assets	156,550	92,896	195,978	883,442	1,328,866
Unallocated assets*					70,142
Consolidated total assets					<u>1,399,008</u>
<b>LIABILITIES</b>					
Segment liabilities	50,108	18,249	9,668	-	78,025
Unallocated liabilities*					79,207
Consolidated total liabilities					<u>157,232</u>

At 31 March 2023 (Audited)

	Ports and logistics <i>HK\$'000</i>	Property <i>HK\$'000</i>	Securities <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Segment total and consolidated <i>HK\$'000</i>
<b>ASSETS</b>					
Segment assets	169,540	107,683	90,185	754,090	1,121,498
Unallocated assets*					827,358
Consolidated total assets					<u>1,948,856</u>
<b>LIABILITIES</b>					
Segment liabilities	30,758	24,129	12	295	55,194
Unallocated liabilities*					550,097
Consolidated total liabilities					<u>605,291</u>

\* Unallocated assets include cash and bank balances of approximately HK\$18,881,000 (31.3.2023: HK\$757,475,000) and unallocated liabilities include bank and other borrowings of approximately HK\$51,544,000 (31.3.2023: HK\$528,139,000).

Segment assets and liabilities comprise assets and liabilities of the operating subsidiaries, as well as certain interests in associates and investments in equity instruments that are engaged in relevant segmental businesses. Accordingly, segment assets exclude corporate assets which are mainly certain bank balances and cash, interests in joint ventures, right-of-use assets and other receivables, and segment liabilities exclude corporate liabilities which are mainly certain bank and other borrowings, other payables and lease liabilities.

For the purpose of resources allocation and assessment of segment performance, deferred tax liabilities are allocated to segment liabilities but the related deferred tax credit/charge are not reported to the executive directors of the Company as part of segment results.

## 5. OTHER INCOME

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
<b>Continuing operations</b>		
Bank and other interest income	50	46
Dividend income from financial assets measured at FVOCI	-	1,899
	<u>50</u>	<u>1,945</u>

## 6. OTHER GAINS AND LOSSES

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
<b>Continuing operations</b>		
Net exchange loss	(2,059)	(15,233)
Impairment loss on right-of-use assets	(8,000)	-
Gain (loss) on disposal of property, plant and equipment	79	(7)
	<u>(9,980)</u>	<u>(15,240)</u>

## 7. IMPAIRMENT LOSS REVERSED ON FINANCIAL ASSETS

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
<b>Continuing operations</b>		
Impairment loss reversed on loan receivables	-	600
Impairment loss reversed on amounts due from former subsidiaries in liquidation (Note 14)	24,399	-
	<u>24,399</u>	<u>600</u>

## 8. FINANCE COSTS

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
<b>Continuing operations</b>		
Interest on bank borrowings	-	378
Interest on other borrowings	4,103	4,117
Imputed interest expense on lease liabilities	534	412
	<u>4,637</u>	<u>4,907</u>

## 9. LOSS BEFORE TAXATION

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
<b>Continuing operations</b>		
Loss before taxation has been arrived at after charging:		
Amortisation of intangible assets	22	24
Cost of inventories recognised as an expense	22,469	37,264
Depreciation of property, plant and equipment	3,982	2,265
Depreciation of right-of-use assets	7,434	6,158
	<u>22,469</u>	<u>37,264</u>

## 10. TAXATION

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
<b>Continuing operations</b>		
Taxation comprises tax charge (credit) below:		
Taxation arising in the PRC		
Current period	127	141
Underprovision in prior periods	-	72
	<u>127</u>	<u>213</u>
Deferred taxation	(5)	(6)
	<u>122</u>	<u>207</u>

## 11. DISCONTINUED OPERATIONS

Upon and after the disposal of Paul Y. Engineering, Profit Tycoon Holdings Limited and Zhejiang Midland Property Co. Ltd (浙江美聯置業有限公司) during the year ended 31 March 2023, the Group is no longer engaged in the business of providing comprehensive engineering and property-related services through Paul Y. Engineering (“**Engineering Operation**”) and the land and property development and investment business in the PRC (“**PRC Property Operation**”). Accordingly, the Engineering Operation and the PRC Property Operation are classified as discontinued operations.

The consolidated financial results from the discontinued operations for the six months ended 30 September 2022 have been restated and presented separately from the continuing operations as set out below.

	Unaudited Six months ended 30 September 2022		
	Engineering Operation <i>HK\$ '000</i>	PRC Property Operation <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
Revenue	4,569,553	6,824	4,576,377
Cost of sales	(4,378,659)	(1,176)	(4,379,835)
Gross profit	190,894	5,648	196,542
Other income	3,752	22	3,774
Administrative expenses	(178,050)	(29,491)	(207,541)
Distribution and selling expenses	-	(51)	(51)
Other gains and losses	(897)	(9,300)	(10,197)
Impairment loss recognised on financial assets and contract assets, net	(2,340)	(235)	(2,575)
Write-down of stock of properties	-	(113,163)	(113,163)
Finance costs	(22,592)	(11,356)	(33,948)
Fair value changes of investment properties	-	(28,714)	(28,714)
Share of results of associates	(7)	-	(7)
Share of results of joint ventures	(119)	-	(119)
Loss before taxation	(9,359)	(186,640)	(195,999)
Taxation	1,740	17,905	19,645
Loss for the period from discontinued operations	(7,619)	(168,735)	(176,354)
Attributable to:			
Owners of the Company	(3,675)	(122,190)	(125,865)
Non-controlling interests	(3,944)	(46,545)	(50,489)
	(7,619)	(168,735)	(176,354)

## 12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company for the period is based on the following data:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Restated)</b>
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share		
- from continuing operations	<b>(81,797)</b>	(43,565)
- from discontinued operations	-	(125,865)
	<hr/>	<hr/>
	<b>(81,797)</b>	<b>(169,430)</b>
	<hr/>	<hr/>
	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>Number of</i></b>	<b><i>Number of</i></b>
	<b><i>shares</i></b>	<b><i>shares</i></b>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<b>1,040,946,114</b>	1,103,916,114
	<hr/>	<hr/>

Diluted loss per share is equal to the basic loss per share as the Company does not have any dilutive potential ordinary shares outstanding during both periods.

## 13. DISTRIBUTION

No dividend was recognised as distribution during both periods. The board of directors of the Company has resolved not to declare any dividend for the six months ended 30 September 2023 (2022: Nil).

#### 14. AMOUNTS DUE FROM/TO FORMER SUBSIDIARIES IN LIQUIDATION

	Unaudited 30.9.2023 HK\$'000	Audited 31.3.2023 HK\$'000
Amounts due from former subsidiaries in liquidation	58,152	83,857
Less: Impairment loss	(38,593)	(62,992)
	<u>19,559</u>	<u>20,865</u>
Amounts due to former subsidiaries in liquidation	<u>-</u>	<u>27</u>

The amounts due from/to former subsidiaries in liquidation were classified as current assets and current liabilities respectively as the Group does not have a legally enforceable right to set off these amounts in accordance with section 35 of the Hong Kong Bankruptcy Ordinance.

During the period, the liquidators made cash distributions of approximately HK\$25,705,000 to the Group and reduced the gross amounts due from former subsidiaries in liquidation from HK\$83,857,000 to HK\$58,152,000. Subsequent to the reporting period, the liquidators made further cash distribution of HK\$19,559,000 to the Group. Impairment loss provision of HK\$24,399,000 (*Note 7*), represents the aggregate amount of cash distribution of HK\$45,264,000 in excess of the carrying amount of amounts due from former subsidiaries in liquidation of HK\$20,865,000 brought forward, is reversed to the condensed consolidated income statement during the period.

#### 15. TRADE AND OTHER RECEIVABLES

	Unaudited 30.9.2023 HK\$'000	Audited 31.3.2023 HK\$'000
Trade receivables	10,321	7,380
Less: Impairment allowance	-	-
	<u>10,321</u>	<u>7,380</u>
Other debtors, deposits and prepayments	14,750	17,808
	<u>25,071</u>	<u>25,188</u>

Trade receivables mainly arise from ports and logistics business. The Group's credit terms for customers are normally 60 days, which are negotiated at terms determined and agreed with its customers. The Group did not hold any collateral over the balances. All trade receivables were aged within 90 days based on the invoice date.

## 16. TRADE AND OTHER PAYABLES

	<b>Unaudited</b>	Audited
	<b>30.9.2023</b>	31.3.2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	<b>3,553</b>	3,922
Other payables and accrued expenses	<b>38,403</b>	34,466
	<b>41,956</b>	38,388

The average credit period on the trade creditors is 30 days. The Group has financial risk management policies in place to ensure the payables are within the credit time frame. All trade payables were aged within 90 days based on the invoice date.

## INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2023 (2022: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS REVIEW OF FINANCIAL PERFORMANCE AND POSITION

### *Continuing operations*

For the six months ended 30 September 2023, the continuing operations of the Group recorded a consolidated revenue of approximately HK\$39 million (2022: HK\$43 million) and gross profit of approximately HK\$17 million (2022: HK\$6 million). During the period, the Group recorded a loss before taxation from continuing operations of approximately HK\$82 million (2022: HK\$43 million), which was composed of:

- (i) net loss of approximately HK\$6 million (2022: HK\$7 million) in ports and logistics segment;
- (ii) net loss of approximately HK\$13 million (2022: gain of HK\$2 million) in property segment;
- (iii) net loss of approximately HK\$0.01 million (2022: gain of HK\$0.7 million) in securities segment;
- (iv) net loss of approximately HK\$21 million (2022: gain of HK\$22 million) in financial services segment;
- (v) net corporate and other expenses (including the impairment loss on right-of-use assets) of approximately HK\$59 million (2022: HK\$41 million);
- (vi) net exchange loss of approximately HK\$2 million (2022: HK\$15 million);
- (vii) finance costs of approximately HK\$5 million (2022: HK\$5 million); and
- (viii) reversal of impairment loss on amounts due from former subsidiaries in liquidation of approximately HK\$24 million (2022: Nil).

After taking into account the tax charge of approximately HK\$0.1 million (2022: HK\$0.2 million), the continuing operations of the Group recorded loss for the period of approximately HK\$82 million (2022: HK\$44 million).

### *Discontinued operations*

During the last year, the Group had discontinued the engineering operation upon the disposal of Paul Y. Engineering Group Limited and the property operation in the People's Republic of China (the "PRC") upon the disposal of Profit Tycoon Holdings Limited and 浙江美聯置業有限公司 (Zhejiang Midland Property Co. Ltd\*). The discontinued operations did not contribute any profit or loss to the Group during the current period. During the last period, the discontinued operations recorded loss of HK\$176 million.

Net loss for the period attributable to the owners of the Company was approximately HK\$82 million (2022: HK\$169 million) and basic loss per share was approximately HK7.9 cents (2022: HK15.3 cents). The decrease in net loss for the period was mainly attributed to the net impact of (a) absence of loss from discontinued operations for the current period after the disposal of the loss-making operations during the year ended 31 March 2023. The discontinued engineering and the PRC property operations recorded loss attributable to shareholders of approximately HK\$126 million for the last period; (b) share of results of associates turned from a profit of approximately HK\$25 million from the last period to a loss of approximately HK\$ 36 million for the current period; and (c) reversal of impairment loss on financial assets of approximately HK\$24 million for the current period, as compared with reversal of impairment loss on financial assets of approximately HK\$1 million for the last period.

When compared with the Group's financial position as at 31 March 2023, total assets decreased by 28% to approximately HK\$1,399 million (31.3.2023: HK\$1,949 million), which was mainly attributable to the utilisation of cash in repayment of borrowings. As at 30 September 2023, net current liabilities amounted to approximately HK\$62 million (31.3.2023: net current assets HK\$227 million), whereas current ratio deriving from the ratio of current assets to current liabilities decreased to 0.58 times (31.3.2023: 1.38 times). After taking into account (a) the net loss of approximately HK\$82 million; (b) the decrease in carrying amount of financial assets measured at fair value through other comprehensive income of approximately HK\$20 million recognised in the investment revaluation reserve; (c) share of other comprehensive income of associates of approximately HK\$3 million; and (d) the Renminbi exchange deficit of approximately HK\$3 million arising from translation of foreign operations, equity attributable to owners of the Company decreased by 8% to approximately HK\$1,251 million (31.3.2023: HK\$1,353 million), representing HK\$1.2 (31.3.2023: HK\$1.3) per share as at 30 September 2023.

## **REVIEW OF OPERATIONS AND BUSINESS DEVELOPMENT**

### **Ports and Logistics**

#### **Fuel Gas Distribution and Logistics (100% owned)**

During the period, the liquefied petroleum gas (“LPG”) and compressed natural gas (“CNG”) distribution and logistics businesses of Minsheng Gas in Wuhan recorded a segment loss of approximately HK\$6 million (2022: HK\$8 million). Currently, Minsheng Gas owns and operates four CNG automotive fueling stations in Wuhan City. Influenced adversely by the bolstered promotion of electric-powered vehicles by the Wuhan Municipal People's Government and the popularisation of electric-powered vehicles in Wuhan City, the sales of CNG decreased by 20% to approximately 6.8 million m<sup>3</sup> (2022: 8.5 million m<sup>3</sup>) when compared with the last period. The expediting deployment of new energy vehicles in both public and private transportation sectors by the Wuhan Government casts a bleak outlook on the CNG distribution business of Minsheng Gas. As a result of the phase-out of LPG-powered vehicles in Wuhan City and the closure of the remaining two LPG automotive fueling stations by Minsheng Gas during the year ended 31 March 2023, there was no sales of LPG for the period, comparing to the sales of approximately 1,000 tonnes for the last period.

Regarding Minsheng Gas's development plan to construct new liquefied natural gas ("LNG") storage tanks and LNG berths in Wuhan, since the Group will not and is not capable of carrying on the entire LNG project on its own in view of the risk of LNG project and the current financial resources of the Group, the management is still endeavoring to explore cooperation opportunities with potential investors. Following the closure of the remaining two LPG automotive fueling stations, Minsheng Gas no longer needs to maintain the LPG storage-tank farm and river terminal for the storage and supply of LPG to the fueling stations. In order to optimise the value of the LPG assets, the Group is evaluating its options to realise the LPG storage-tank farm assets.

#### **Yangkou Port (9.9% owned)**

The Group's 9.9% equity interest in 江蘇洋口港投資開發有限公司 (Jiangsu Yangkou Port Development and Investment Co. Ltd.\*) ("Yangkou Port Co") ("Yangkou Port Co Interest") did not contribute dividend income to the segment result for the period (2022: HK\$1 million).

Yangkou Port Co is principally engaged in the business of development of port and related infrastructures at Yangkou Port, an offshore type deep-sea harbour along the South East Coast of Jiangsu Province, the PRC. Strategically located near the mouth of the Yangtze River, Yangkou Port is ideally situated to become one of China's largest trans-shipment hubs for dry and liquid bulk cargoes.

Following our several staged divestments from 75% to the current 9.9% interest in prior years, the residue investment in Yangkou Port Co was intended to be held for long-term purpose and was classified as financial assets measured at fair value through other comprehensive income. As at 30 September 2023, the investment in Yangkou Port Co was stated at fair value of approximately HK\$64 million (31.3.2023: HK\$83 million). The unrealised decrease in fair value of approximately HK\$19 million (2022: HK\$21 million) for the period was recognised in other comprehensive expense.

Given the lack of a stable and attractive dividend policy established in Yangkou Port Co, the Group has been assessing its divestment options and plans on this investment based on its value accretion potential. Subsequent to the reporting period, the Group has recently entered into a conditional sale and purchase agreement with a purchaser in respect of disposal of the holding companies of the Yangkou Port Co Interest. Up to the date of the announcement, the completion of the disposal is subject to fulfillment of certain conditions precedent (including the purchaser having conducted and completed its due diligence on the disposal group with results to its reasonable satisfaction).

### **Property**

After the completion of the divestment in the discontinued PRC property operation during the last year, the Group repositions its focus on the property segment in Hong Kong, taking advantage of the downturn of the Hong Kong property market to capture the potential market upside in future. As at 30 September 2023, the Group owns certain office premises and car parking spaces in Hong Kong through direct investment and investment in associates.

The continuing property business in Hong Kong recorded a segment loss of approximately HK\$13 million (2022: profit of HK\$2 million) for the period which mainly composed the loss on fair value changes of investment properties in Hong Kong of approximately HK\$8 million (2022: Nil) and share of the associate's loss of HK\$6 million (2022: profit of HK\$0.3 million), as affected by the interest rate hike cycle and the weak demand for office premise in Hong Kong.

### **Securities**

The securities segment recorded a segment loss of approximately HK\$0.01 million (2022: HK\$0.7 million) for the period. As at 30 September 2023, the Group's investments in listed equity instruments not held for trading amounted to approximately HK\$196 million (31.3.2023: HK\$90 million). During the period, net investments of HK\$107 million was made, while the decrease in fair value of approximately HK\$1 million (2022: HK\$36 million) for the period was recognised in other comprehensive expense.

The Group adopted a cautious and disciplined approach in managing the Group's securities portfolio. The Group will continue to monitor its securities portfolio and look for investment opportunities with a view to achieving growth in portfolio value in future.

### **Financial services**

The financial services business recorded a segment loss of approximately HK\$21 million (2022: profit of HK\$22 million) for the period, which was mainly attributable to the share of loss of its associates of about HK\$30 million (2022: profit of HK\$25 million) during the period.

The Group adopted a cautious approach in managing its direct loan financing business aiming to gradually build up a creditworthy clientele base. The direct loan financing business contributed revenue of approximately HK\$9 million (2022: HK\$0.2 million) for the period. Revolving loans of HK\$290 million newly granted to various borrowers during the period have been fully recovered as at the report date.

The Group held one-third of equity interest in Maxlord Enterprises Limited (“**Maxlord**”), a licensed money lender carrying out money lending business in Hong Kong, which is an indirect 66.67% owned subsidiary of Planetree International Development Limited (stock code: 0613.HK). During the period, the Group shared profit of approximately HK\$2 million (2022: HK\$7 million) on its investment in Maxlord.

The Group participated in the overseas property asset-based financing business through a 40% owned associate, Golden Thread Investments Limited, which contributed a share of profit of approximately HK\$2 million (2022: HK\$18 million) to the Group for the period.

The Group participated in the integrated financial services sectors, particularly the licensed securities brokerage and margin financing, credit financing and financial investment businesses through joint ventures cooperations. As at 30 September 2023, through equity investments in Hope Capital Limited and HEC Securities Company Limited, the Group indirectly held 23.79% equity interest in Hope Securities Limited and 33% equity interest in Seekers Markets Limited, which are licensed corporations under the Securities and Futures Ordinance to carry regulated activities including dealing in and advising on securities and future contracts, securities margin financing and asset management. The investments are classified as associates of the Company and the Group shared loss of approximately HK\$34 million (2022: Nil) for the period which was mainly arisen from investment losses of the associates.

The Group will continue to explore business opportunities in the financial service business under a prudent credit strategy and capitalise on the expertise and competitive strength of other sophisticated industry participants through partnerships, with a view to contribute a stable and favorable income stream to the Group.

#### **SIGNIFICANT INVESTMENTS**

An investment with a carrying value of 5% or more of the total assets of the Group is considered as a significant investment of the Group. As at 30 September 2023, the Group's investment in 465,000,000 ordinary listed shares of Oshidori International Holdings Limited (“**Oshidori**”), represented approximately 7.6% of Oshidori's issued share capital, was measured at fair value of approximately HK\$107 million, which represented approximately 7.6% to the total assets of the Group. Total cost for the investment in Oshidori amounted to approximately HK\$130 million and the cumulative unrealised fair value loss was approximately HK\$23 million. Oshidori is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0622.HK). Oshidori and its subsidiaries are principally engaged in investment holdings, tactical and/or strategical investments (including property investments), provision of financial services including the Securities and Futures Commission regulated activities, namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 8 (securities margin financing) and Type 9 (asset management) and provision of credit and lending services regulated under the Money Lenders Ordinance. During the period, no dividend was received from Oshidori and the unrealised fair value loss of the investment in Oshidori of approximately HK\$6 million was charged to the investment revaluation reserve through other comprehensive income.

As extracted from the interim report of Oshidori for the six months ended 30 June 2023, in the first half of 2023, Oshidori recorded an unaudited net profit of HK\$12 million, compared to a net loss of HK\$39 million for the comparative period. As at 30 June 2023, Oshidori had unaudited total assets and net asset value of HK\$5,280 million and HK\$4,964 million respectively. The liquidity of Oshidori remained strong with a current ratio of 5.4 and a gearing ratio of 3.6%. As at 30 September 2023, the fair value of Oshidori of HK\$0.23 per share represents a discount of approximately 72% to its unaudited net assets value as at 30 June 2023 of HK\$0.81 per share. It is considered that Oshidori is currently significantly undervalued and represents an attractive value stock pick with potential for higher return from a long-term perspective.

Saved as disclosed above, the Group did not hold any significant investments in any investee company with a value of above 5% of the Group's total assets as at 30 September 2023.

### **MATERIAL ACQUISITION AND DISPOSAL**

The Group did not have material acquisition and disposal of subsidiaries, associates and joint ventures during the period.

### **EVENTS AFTER THE REPORTING PERIOD**

There were no major subsequent events occurred since the end of the reporting period and up to the date of this announcement.

### **OUTLOOK**

The Board undertakes strategic review of the Group's assets from time to time with a view to maximising returns to the shareholders of the Company. The divestments of inefficient and loss-making investments provide the Group with capital and financial flexibility to seize suitable business opportunities in the future to optimise the operational efficiency and investment return to the Group. The Group will explore opportunities to diversify and broaden its business and investment portfolio by investing in businesses with optimistic prospects.

### **LIQUIDITY AND CAPITAL RESOURCES**

As at 30 September 2023, the Group had total assets of HK\$1,399 million (31.3.2023: HK\$1,949 million) which were financed by shareholders' funds and credit facilities. A variety of credit facilities were maintained to meet its working capital requirements and committed capital expenditure, which bore interest at market rates and had contracted terms of repayment ranging from on demand to three years. The Group mainly generated revenue and incurred costs in Hong Kong dollar and Renminbi. During the period, no financial instruments had been used for hedging purpose and no foreign currency net investments are hedged by currency borrowings or other hedging instruments. The Group adopts a prudent funding and treasury policy and manages the fluctuation exposures of exchange rate and interest rate on specific transactions.

As at 30 September 2023, the Group's bank and other borrowings amounted to approximately HK\$89 million (31.3.2023: HK\$535 million) with approximately HK\$88 million (31.3.2023: HK\$533 million) repayable on demand or within one year and approximately HK\$1 million (31.3.2023: HK\$2 million) repayable after one year. Borrowings denominated in Hong Kong dollar of approximately HK\$84 million (31.3.2023: HK\$525 million) and Renminbi of approximately HK\$5 million (31.3.2023: HK\$10 million) bore interest at fixed rate. The Group's gearing ratio was 0.07 (31.3.2023: 0.4), which was calculated based on the total borrowings of approximately HK\$89 million (31.3.2023: HK\$535 million) and the Group's shareholders' funds of approximately HK\$1,251 million (31.3.2023: HK\$1,353 million).

Cash, bank balances and deposits of the Group as at 30 September 2023 amounted to approximately HK\$42 million (31.3.2023: HK\$774 million), of which approximately HK\$15 million (31.3.2023: HK\$756 million) was denominated in Hong Kong dollar, approximately HK\$27 million (31.3.2023: HK\$18 million) was denominated in Renminbi.

### **CAPITAL STRUCTURE**

During the period, the Group has not conducted any equity fund raising activities. As at 30 September 2023, the total number of issued shares of the Company was 1,040,946,114 shares with a par value of HK\$0.1 each.

### **EXPOSURE TO FLUCTUATION IN EXCHANGE RATE**

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi and Hong Kong dollars. The Group is mainly exposed to foreign exchange risk with respect to Renminbi which may affect the Group's performance. The Group regularly reviews the balances of assets and liabilities and the currencies in which the transactions are denominated so as to minimise the Group's exposure to foreign currency risk. During the period, no financial instruments had been used for hedging purpose and no foreign currency net investments are hedged by currency borrowings or other hedging instruments.

### **CONTINGENT LIABILITY**

As at 30 September 2023, the Group had no contingent liabilities (31.3.2023: Nil).

### **PLEDGE OF ASSETS**

As at 30 September 2023, the Group's investment in certain listed securities with fair value of approximately HK\$188 million (31.3.2023: Nil) were held under the margin securities account as floating charge on the margin loan facilities utilised.

As at 31 March 2023, the Group pledged certain property interests, property, plant and equipment, bank balances and cash of the Group with an aggregate value of approximately HK\$10 million (30.9.2023: Nil) and pledged its investment in certain subsidiaries in aggregate with a net asset value of approximately HK\$128 million (30.9.2023: Nil) to secure general credit facilities granted to the Group.

## **COMMITMENTS**

As at 30 September 2023, the Group had expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of acquisition of certain property, plant and equipment and properties interests in a total amount of approximately HK\$9 million (31.3.2023: HK\$9 million).

## **NUMBER OF EMPLOYEES AND REMUNERATION POLICY**

As at 30 September 2023, the Group employed a total of 141 (31.3.2023: 150) full time employees. Remuneration packages consisted of salary as well as performance-based bonus.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **CORPORATE GOVERNANCE**

Throughout the six months ended 30 September 2023, the Company has complied with the code provisions in Part 2 of the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), except for the following deviation:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive (the “**CE**”) should be separate and should not be performed by the same individual. Following the resignation of Mr Marc Andreas Tschirner as the managing director of the Company (the “**Managing Director**”, equivalent to the CE) with effect from 1 July 2023, Mr Kwong Kai Sing, Benny (“**Mr Kwong**”, the chairman of the Board (the “**Chairman**”)) was appointed as the Managing Director and has performed the roles of the Chairman and Managing Director with effect from 1 July 2023. Mr Kwong assumes both roles of the Chairman and the Managing Director and is responsible for overseeing the management and operations of the Group. The senior management of the Group continues to be responsible for the management and administrative functions and day-to-day operations of the Group under the supervision of the Managing Director, who is concurrently the Chairman.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix 10 to the Listing Rules (the “**Model Code**”). After having made specific enquiries, all directors of the Company have confirmed their compliance with the required standard set out in the Model Code throughout the six months ended 30 September 2023.

## **AUDIT COMMITTEE**

The Company has an audit committee (the “**Audit Committee**”) which was established in accordance with the requirement of the Listing Rules for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee meets regularly with the Company’s senior management and the Company’s auditor to consider the Company’s financial reporting process, the effectiveness of internal control, the audit process and risk management. As at the date of this announcement, the Audit Committee comprises three independent non-executive directors of the Company, namely Mr William Nicholas Giles, Mr Yu Chung Leung and Mr Lam John Cheung-wah.

## **REVIEW OF ACCOUNTS**

The unaudited interim results of the Group for the six months ended 30 September 2023 have been reviewed by (a) the Group’s auditor, Crowe (HK) CPA Limited, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA; and (b) the Audit Committee.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This results announcement is published on the Company’s website at [www.blueriverholdings.com.hk](http://www.blueriverholdings.com.hk) under “Announcements” in the “Investor Relations” section and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) under “Listed Company Information”. The 2023/2024 Interim Report will be despatched to shareholders of the Company and be posted on the aforesaid websites in December 2023.

\* *For identification purpose only*

By Order of the Board

**Blue River Holdings Limited**

**Benny KWONG**

*Chairman*

Hong Kong, 29 November 2023

*As at the date of this announcement, the Board comprises the following directors of the Company:*

*Executive Directors:*

Benny KWONG (*Chairman and Managing Director*)

AU Wai June

*Independent Non-Executive Directors:*

William GILES

YU Chung Leung

LAM John Cheung-wah