Blue River Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 498)

INSIDE INFORMATION
PROFIT WARNING
AND
CONTINUED SUSPENSION OF TRADING

This announcement is made by Blue River Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**"), pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROFIT WARNING

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review on the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2022 (the "**Year**") and other information currently available to the Company, the Group is expected to record a loss attributable to Shareholders of not less than HK$1.6 billion for the Year, as compared with a profit attributable to Shareholders of approximately HK$151 million for the year ended 31 March 2021 (the "**Year 2021**").

Such expected loss for the Year was mainly attributable to the combined impact of:

(a) fair value loss of investments in equity and debt instruments held for trading of approximately HK$1,062 million (after netting off relevant deferred tax credit of approximately HK$103 million from the fair value loss of approximately HK$1,165 million), as compared with fair value gain of approximately HK$856 million (after netting off relevant deferred tax charge of approximately HK$103 million from the fair value gain of approximately HK$959 million) in the Year 2021;

(b) loss on fair value changes of investment properties of approximately HK$278 million (after netting off relevant deferred tax credit of approximately HK$158 million and share of loss by non-controlling interest of approximately HK$45 million from the loss on fair value changes of investment properties of approximately HK$481 million), as compared with loss of approximately HK$173 million (after netting off relevant deferred tax credit of approximately HK$184 million and share of loss by non-controlling interest of approximately HK$51 million from the loss on fair value changes of investment properties of approximately HK$408 million) in the Year 2021;

(c) impairment loss on financial assets of approximately HK$118 million (after netting off share of loss by non-controlling interest of approximately HK$6 million from the impairment loss on financial assets of approximately HK$124 million), as compared with impairment loss of approximately HK$252 million in the Year 2021;

(d) write-down of stock of properties of approximately HK$109 million (after netting off relevant deferred tax credit of approximately HK$14 million and share of loss by non-controlling interest of approximately HK$19 million from the write-down of stock of properties of approximately HK$142 million), as compared with write-down of approximately HK$421 million (after netting off relevant deferred tax credit of approximately HK$168 million and share of loss by non-controlling interest of approximately HK$52 million from the write-down of stock of properties of approximately HK$641 million) in the Year 2021; and

(e) impairment loss on property, plant and equipment of approximately HK$92 million (after netting off share of loss by non-controlling interest of approximately HK$92 million from the impairment loss on property, plant and equipment of approximately HK$184 million), as compared with impairment loss of approximately HK$1 million in the Year 2021.

As disclosed in the Company's announcement dated 4 October 2021 in relation to, among other things, the discloseable transaction in connection with disposals of listed securities, the Group has already disposed of all of its investments in China Evergrande Group (stock code: 3333.HK), Evergrande Property Services Group Limited (stock code: 6666.HK) and China Evergrande New Energy Vehicle Group Limited (stock code: 0708.HK) in the open market, resulting in the Group's recognition of a realised loss of approximately HK$1,005 million for the Year, representing most of the fair value loss of approximately HK$1,165 million during the Year mentioned in paragraph (a) above.

The Company is still in the process of finalising the annual results of the Group for the Year. The information contained in this announcement is only based on the preliminary assessment by the Board on the draft unaudited consolidated management accounts of the Group for the Year and other information currently available to the Company, which have not been audited by the auditor of the Company or reviewed by the audit committee of the Company and are subject to possible adjustments and amendments affected by a number of other factors, including but not limited to valuation of properties and other assets and consolidation of financial results of Paul Y. Engineering Group Limited ("**PYE**") from 1 June 2021 upon the assignment of 10% shareholder voting rights in PYE effective on 1 June 2021. The actual results of the Group for the Year may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the audited consolidated annual results announcement of the Company for the Year, which is expected to be published on 29 July 2022.

CONTINUED SUSPENSION OF TRADING

Reference is further made to the announcement of the Company dated 20 May 2022. At the request of the Company, trading in the shares of the Company (the "**Shares**") on the Stock Exchange was suspended with effect from 9:00 a.m. on 20 May 2022, pending the release of an announcement which constitutes inside information of the Company (the "**Inside Info Announcement**").

As the unaudited consolidated annual results of the Group for the Year have not been published by 30 June 2022, trading in the Shares on the Stock Exchange will remain suspended until the publication of the audited consolidated annual results of the Group for the Year and the Inside Info Announcement, whichever is later.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By Order of the Board

Blue River Holdings Limited

Ho Sze Nga

Company Secretary

Hong Kong, 15 July 2022

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

Executive Directors:
Benny KWONG *(Chairman)*
AU Wai June
Marc TSCHIRNER
SAM Hing Cheong

Independent Non-Executive Directors:
LEUNG Chung Ki
MA Ka Ki
William GILES