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## **Blue River Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 498)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION GRANT OF REVOLVING LOAN FACILITY**

Reference is made to the announcement (the “**Announcement**”) dated 7 December 2022 of Blue River Holdings Limited (the “**Company**”) in relation to the grant of the revolving loan facility to Green River Associates Limited. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Company wishes to provide the Shareholders and potential investors with supplemental information on the Group’s credit risk assessment on the Borrower.

#### **THE GROUP’S CREDIT RISK ASSESSMENT ON THE BORROWER**

In assessing the financial strength and repayment ability of the Borrower, the Group has taken into consideration the following factors, among others:

- (i) the net assets value of the Borrower, which increased from approximately HK\$305 million as at 31 December 2021 to approximately HK\$428 million as at 30 November 2022, revealed the financial strength of the Borrower; and
- (ii) its short-term investments in over 15 equity securities listed on the Stock Exchange (which are liquid assets and readily convertible into cash) with total market value of approximately HK\$234 million as at 30 November 2022 and the net current assets of the Borrower of approximately HK\$167 million as at 30 November 2022 revealed the repayment ability of the Borrower.

Given the net assets value of approximately HK\$428 million and the net current assets of approximately HK\$167 million exceeding the maximum available amount of HK\$150 million under the Revolving Loan Facility, the Company is satisfied with the financial strength and repayment ability of the Borrower.

Further, as part of the due diligence and credit assessment works conducted by the Group, the Group has obtained and reviewed the financial and business information of the Borrower and relevant supporting documents, including but not limited to:

- (i) the monthly securities statement as of 30 November 2022 for the aforementioned short-term investments, the book value of which represented approximately 36% of the total assets of the Borrower as at 30 November 2022; and
- (ii) the documents in relation to the Borrower's investment in 32% interest of the issued share capital of SHOG Creation Limited ("**SHOG**") (the "**32% SHOG Interest**"), the book value of which amounted to approximately HK\$116 million, representing approximately 18% of the total assets of the Borrower as at 30 November 2022.

SHOG is principally engaged in investment business with the investment portfolio solely consisting of 1,215,296,600 shares in Oshidori International Holdings Limited ("**Oshidori**") (stock code: 622) whose shares are listed on the Stock Exchange, representing approximately 19.89% of the issued share capital of Oshidori.

As a gesture of goodwill, the Borrower offered to undertake not to create or attempt or agree to create or permit to arise or exist any charge or other encumbrances on, or sell or agree to sell or otherwise dispose of, the 32% SHOG Interest (the “**Undertaking**”), which serves as an additional assurance to preserve its asset position and maintain a strong and healthy financial position. Having regard to the fact that the Undertaking cannot preclude SHOG from disposing of its shares in Oshidori as the Borrower is only holding 32% interest in SHOG, the Lender has not taken into account the Undertaking as one of the determining credit assessment factors when granting the Revolving Loan Facility. For details of the credit risk assessment conducted by the Group on the Borrower, please refer to the paragraph headed “The Group’s credit risk assessment on the Borrower” in the Announcement.

By Order of the Board

**Blue River Holdings Limited**

**HO Sze Nga**

*Company Secretary*

Hong Kong, 9 February 2023

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

*Executive Directors:*

Benny KWONG (*Chairman*)

AU Wai June

Marc TSCHIRNER

SAM Hing Cheong

*Independent Non-Executive Directors:*

William GILES

YU Chung Leung

LAM John Cheung-wah