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Blue River Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 498)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

The board of directors (the “**Board**”) of Blue River Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2023.

RESULTS
CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2023

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i> (Restated)
Continuing operations			
Revenue			
Sales and services income	3	71,494	105,205
Interest income	3	5,600	26,285
Others	3	-	2,325
		<hr/> 77,094	<hr/> 133,815
Cost of sales and services rendered		(58,996)	<hr/> (76,034)
Gross profit		18,098	57,781
Other income	5	3,862	141,415
Administrative expenses		(115,555)	(164,028)
Distribution and selling expenses		(15,220)	(19,442)
Other gains and losses	6	(63,866)	16,860
Fair value changes of financial assets measured at fair value through profit or loss (“FVPL”)		-	(1,165,274)
Impairment loss reversed (recognised) on financial assets, net	7	3,977	(89,756)
Finance costs	8	(16,656)	(8,662)
Gain on disposal of subsidiaries		-	3,660
Gain (loss) on winding up of subsidiaries		9,470	(95)
Fair value changes of investment properties		(2,458)	-
Share of results of associates		41,483	(13,587)
Share of results of joint ventures		(4,839)	(4,179)
		<hr/> (141,704)	<hr/> (1,245,307)
Taxation	10	(434)	102,454
Loss for the year from continuing operations		(142,138)	<hr/> (1,142,853)
Discontinued operations			
Loss for the year from discontinued operations	11	(566,867)	(662,620)
Loss for the year		(709,005)	<hr/> (1,805,473)

RESULTS
CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Loss for the year attributable to:		
Owners of the Company		
- from continuing operations	(144,506)	(1,146,851)
- from discontinued operations	(460,907)	(481,695)
	(605,413)	(1,628,546)
Non-controlling interests		
- from continuing operations	2,368	3,998
- from discontinued operations	(105,960)	(180,925)
	(103,592)	(176,927)
	(709,005)	(1,805,473)
	2023	2022
	<i>HK cents</i>	<i>HK cents</i> (Restated)
Loss per share	<i>12</i>	
Basic and diluted		
- from continuing operations	(13.2)	(103.9)
- from discontinued operations	(42.2)	(43.6)
	(55.4)	(147.5)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Loss for the year	(709,005)	(1,805,473)
OTHER COMPREHENSIVE (EXPENSE) INCOME		
<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”), net of tax	(82,360)	(143,505)
Share of other comprehensive income of an associate	(251)	-
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising from translation of foreign operations	(69,015)	49,805
Share of exchange differences of associates and joint ventures	-	(91)
Reclassification adjustment on disposal of subsidiaries	(10,634)	(16,738)
Reclassification adjustment on deemed disposal of an associate and a joint venture	-	11,524
Other comprehensive expense for the year	(162,260)	(99,005)
Total comprehensive expense for the year	(871,265)	(1,904,478)
Total comprehensive (expense) income for the year attributable to:		
Owners of the Company		
- from continuing operations	(228,583)	(1,291,137)
- from discontinued operations	(523,589)	(447,944)
	(752,172)	(1,739,081)
Non-controlling interests		
- from continuing operations	2,368	3,998
- from discontinued operations	(121,461)	(169,395)
	(119,093)	(165,397)
	(871,265)	(1,904,478)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2023

	<i>Notes</i>	2023 HK\$'000	2022 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		26,684	308,604
Right-of-use assets		51,670	123,246
Investment properties		63,300	436,576
Project under development		-	185,150
Goodwill		-	5,523
Other intangible assets		1,156	156,850
Interests in associates		767,904	644,351
Interests in joint ventures		14,812	18,816
Financial assets measured at FVOCI		202,975	248,248
		1,128,501	2,127,364
CURRENT ASSETS			
Stock of properties		-	771,058
Inventories of finished goods		66	1,302
Loan receivables		-	196,626
Amount due from an associate		-	5,820
Amounts due from joint ventures		-	4,289
Amounts due from joint operations/other partners of joint operations		-	218,269
Amounts due from former subsidiaries in liquidation		20,865	197,778
Trade and other receivables	<i>14</i>	25,188	2,400,395
Contract assets		-	4,130,827
Taxation recoverable		-	4,553
Pledged bank deposits and restricted cash		-	45,423
Short-term bank deposits		3,425	55,394
Bank balances and cash		770,811	887,970
		820,355	8,919,704
Assets classified as held for sale		-	79,411
		820,355	8,999,115

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
CURRENT LIABILITIES			
Trade and other payables	15	38,388	5,431,410
Contract liabilities		1,535	340,521
Lease liabilities		10,053	36,910
Amount due to a joint venture		-	60
Amounts due to joint operations/other partners of joint operations		-	97,544
Amounts due to former subsidiaries in liquidation		27	18,857
Amounts due to non-controlling shareholders		8,891	107,413
Taxation payable		1,590	29,479
Bank and other borrowings		532,991	1,438,846
		593,475	7,501,040
Liabilities associated with assets classified as held for sale		-	9,089
		593,475	7,510,129
NET CURRENT ASSETS		226,880	1,488,986
TOTAL ASSETS LESS CURRENT LIABILITIES		1,355,381	3,616,350
NON-CURRENT LIABILITIES			
Bank and other borrowings		1,998	221,847
Lease liabilities		9,581	46,679
Deferred tax liabilities		237	314,596
Obligations in excess of interests in associates		-	2,066
		11,816	585,188
NET ASSETS		1,343,565	3,031,162
CAPITAL AND RESERVES			
Share capital		104,095	110,392
Reserves		1,248,452	2,049,421
Equity attributable to owners of the Company		1,352,547	2,159,813
Non-controlling interests		(8,982)	871,349
TOTAL EQUITY		1,343,565	3,031,162

NOTES TO THE 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 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 is 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 year.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

Adoption of new/revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time in the current year:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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

3. REVENUE

Revenue from continuing operations is analysed as follows:

	2023 HK\$'000	2022 HK\$'000 (Restated)
Continuing operations		
Sales and services income:		
Income from port related services	2,431	2,230
Sale of LPG and CNG products	69,063	102,975
	<hr/> 71,494 <hr/>	<hr/> 105,205 <hr/>
Interest income:		
Interest income from loan receivables	5,600	4,325
Interest income from financial assets measured at FVPL		
- investments in debt instruments held for trading	-	14,104
- investments in convertible bonds	-	7,856
	<hr/> 5,600 <hr/>	<hr/> 26,285 <hr/>
Others:		
Dividend income from financial assets measured at FVPL		
- investments in equity instruments held for trading	-	2,325
	<hr/> - <hr/>	<hr/> 2,325 <hr/>
	<hr/> 77,094 <hr/>	<hr/> 133,815 <hr/>

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 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 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) distributions from liquidated subsidiaries and impairment allowance recognised/reversed on amounts due from liquidated subsidiaries which had ceased operation; and (iv) finance costs driven by the Group's financing decisions were adjusted out from the profit/loss before tax 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 year ended 31 March 2022 is restated to conform to the current year's presentation.

The operating and reportable segments for the current year 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 year ended 31 March 2023

	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	71,494	-	-	5,600	77,094	5,269,544	7,874	5,277,418	5,354,512
Segment results*	(65,529)	(6,331)	651	41,414	(29,795)	(383,299)	(153,657)	(536,956)	(566,751)
Corporate and other expenses					(89,362)			-	(89,362)
Net exchange loss					(9,268)			(9)	(9,277)
Impairment loss reversed on amounts due from former subsidiaries in liquidation					3,377			-	3,377
Finance costs					(16,656)			(49,523)	(66,179)
Loss before taxation					(141,704)			(586,488)	(728,192)
Taxation					(434)			19,621	19,187
Loss for the year					(142,138)			(566,867)	(709,005)

For the year ended 31 March 2022 (Restated)

	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	105,205	-	16,429	12,181	133,815	10,649,270	11,566	10,660,836	10,794,651
Segment results*	12,499	2,829	(1,153,066)	(26,491)	(1,164,229)	71,547	(858,528)	(786,981)	(1,951,210)
Corporate and other expenses					(131,565)			-	(131,565)
Net exchange gain					6,959			2,264	9,223
Distributions from former subsidiaries in liquidation					141,190			-	141,190
Impairment loss recognised on amounts due from former subsidiaries in liquidation					(89,000)			-	(89,000)
Finance costs					(8,662)			(56,086)	(64,748)
Loss before taxation					(1,245,307)			(840,803)	(2,086,110)
Taxation					102,454			178,183	280,637
Loss for the year					(1,142,853)			(662,620)	(1,805,473)

* For the year ended 31 March 2023, (i) loss on deemed disposal of Paul Y. Engineering of approximately HK\$317,103,000 (2022: Gain on remeasurement of interest in Paul Y. Engineering to fair value of approximately HK\$52,467,000) has been recognised in the engineering segment and (ii) gain on disposal of discontinued operations of approximately HK\$38,110,000 (2022: gain on disposal of subsidiary of approximately HK\$17,207,000) has been recognised in the PRC Property segment.

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 31 March 2023

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

At 31 March 2022 (Restated)

	Continuing operations					Discontinued operations			Segment total and consolidated HK\$'000
	Ports and logistics	Property	Securities	Financial services	Sub-total	Engineering	PRC Property	Sub-total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
ASSETS									
Segment assets	296,366	26,630	128,800	678,569	1,130,365	8,125,842	1,626,527	9,752,369	10,882,734
Unallocated assets*					243,745			-	243,745
Consolidated total assets					<u>1,374,110</u>			<u>9,752,369</u>	<u>11,126,479</u>
LIABILITIES									
Segment liabilities	38,088	29,019	-	150,885	217,992	7,006,409	844,214	7,850,623	8,068,615
Unallocated liabilities*					26,702			-	26,702
Consolidated total liabilities					<u>244,694</u>			<u>7,850,623</u>	<u>8,095,317</u>

* Unallocated assets include cash and bank balances of approximately HK\$757,475,000 (2022: HK\$2,624,000) and amounts due from former subsidiaries in liquidation of approximately HK\$20,865,000 (2022: HK\$197,778,000), while the unallocated liabilities include bank and other borrowings of approximately HK\$528,139,000 (2022: Nil) and amounts due to former subsidiaries in liquidation of approximately HK\$27,000 (2022: HK\$18,857,000).

Segment assets and liabilities comprise assets and liabilities of the operating subsidiaries and joint operations, as well as certain interests in associates, joint ventures 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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Continuing operations		
Bank and other interest income	199	169
Distributions from former subsidiaries in liquidation	-	141,190
Dividend income from financial assets measured at FVOCI	3,663	-
Sundry income	-	56
	<hr/> 3,862	<hr/> 141,415
	<hr/> 3,862	<hr/> 141,415

6. OTHER GAINS AND LOSSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Continuing operations		
Net exchange (loss) gain	(9,268)	6,959
Impairment loss on property, plant and equipment	(54,426)	-
(Loss) gain on disposal of property, plant and equipment	(172)	9,743
Gain on termination of leases	-	158
	<hr/> (63,866)	<hr/> 16,860
	<hr/> (63,866)	<hr/> 16,860

7. IMPAIRMENT LOSS REVERSED (RECOGNISED) ON FINANCIAL ASSETS, NET

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Continuing operations		
Impairment loss reversed on loan receivables	600	1,310
Impairment loss recognised on trade and other receivables (including interest receivables)	-	(2,066)
Impairment loss reversed (recognised) on amounts due from former subsidiaries in liquidation	3,377	(89,000)
	<hr/> 3,977	<hr/> (89,756)
	<hr/> 3,977	<hr/> (89,756)

8. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Continuing operations		
Interest on bank borrowings	810	562
Interest on other borrowings	14,992	7,277
Imputed interest expense on lease liabilities	854	823
	<u>16,656</u>	<u>8,662</u>

9. LOSS BEFORE TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Continuing operations		
Loss before taxation has been arrived at after charging:		
Amortisation of other intangible assets	46	50
Cost of inventories recognised as an expense	58,996	75,538
Depreciation of property, plant and equipment	3,807	6,538
Depreciation of right-of-use assets	13,155	13,175
	<u>13,155</u>	<u>13,175</u>

10. TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Continuing operations		
Taxation charge (credit) comprises:		
Taxation arising in the PRC		
Current year	446	481
Overprovision in prior years	-	(38)
	<u>446</u>	<u>443</u>
Deferred taxation:		
Hong Kong	-	(102,885)
The PRC	(12)	(12)
	<u>(12)</u>	<u>(102,897)</u>
	<u>434</u>	<u>(102,454)</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The tax rate for the Group's subsidiaries in the PRC is 25% for both years.

11. DISCONTINUED OPERATIONS

Engineering Operation

In September 2022, Paul Y. Engineering proposed a rights issue raising a capital of approximately HK\$967 million, of which the Group was entitled to subscribe for rights shares in proportion to its equity interest in Paul Y. Engineering with an aggregate subscription amount of approximately HK\$466 million. On 4 November 2022, the board of directors of the Company resolved (a) to return the voting right of a block of approximately 10% shareholding in Paul Y. Engineering (the “**Voting Rights**”) back to the original assignor who had irrevocably and unconditionally assigned such Voting Rights to the Group on 1 June 2021; (b) not to subscribe for the entitled rights shares under the rights issue; and (c) to divest its investment in Paul Y. Engineering. Accordingly, on 4 November 2022, the Group irrevocably and unconditionally reassigned the Voting Rights back to the original assignor at nil consideration (the “**Reassignment**”). On 5 November 2022, Paul Y. Engineering completed its rights issue and allotment of 1,516,147,126 rights shares at a subscription price of HK\$0.33 each to its qualified shareholders, resulting in a dilution of the Company’s equity interest in Paul Y. Engineering from approximately 48.23% to approximately 29.75% (the “**Dilution**”). On 5 November 2022, the Group entered into a non-legally binding memorandum of understanding for the disposal of the remaining 29.75% equity interest in Paul Y. Engineering, and the conditional agreement for the disposal was subsequently entered on 14 November 2022 with an agreed consideration of HK\$300 million (“**PYE Disposal**”). The PYE Disposal was eventually completed on 29 March 2023.

Immediately after the Reassignment and Dilution in November 2022, (a) the Group’s voting rights in Paul Y. Engineering decreased from approximately 58.23% to approximately 29.75% and the Group no longer retained majority control of the voting rights at any general meetings of Paul Y. Engineering; (b) Paul Y. Engineering ceased to be a subsidiary of the Company and the financial results of Paul Y. Engineering would no longer be consolidated into the financial statements of the Group since then; and (c) the retained 29.75% equity interest in Paul Y. Engineering was measured at fair value of HK\$300 million, which is the agreed consideration, and resulted in a loss on deemed disposal of approximately HK\$317 million. Upon and after the PYE Disposal, the Group is no longer engaged in the business of providing comprehensive engineering and property-related services (“**Engineering Operation**”). Accordingly, the Engineering Operation is classified as a discontinued operation.

PRC Property Operation

On 9 September 2022, the Group entered into a sale and purchase agreement for the disposal of the Group’s investment in a building known as “Pioneer Technology Building” in Hangzhou, the PRC, through disposal of the entire equity interest in 浙江美聯置業有限公司 (“**浙江美聯**”), the wholly-owned subsidiary of the Company and the building’s investment holding company, at a consideration of RMB65 million (equivalent to approximately HK\$72 million). The assets and liabilities associated with 浙江美聯 had been classified as held for sale as at 31 March 2022. The disposal was completed on 31 October 2022 and resulted in a gain on disposal of approximately HK\$4 million.

On 24 December 2022, the Group entered into a sale and purchase agreement for the disposal of its entire equity interest in Profit Tycoon Holdings Limited (“**Profit Tycoon**”) at a consideration of HK\$406 million, subject to adjustment. Profit Tycoon is an investment holding company incorporated in the British Virgin Islands which is engaged in land and property development and investment in Xiao Yangkou through its PRC subsidiaries. The disposal was completed on 6 March 2023 with the finalised consideration of approximately HK\$383 million and resulted in a gain on disposal of approximately HK\$34 million.

Upon and after the disposals of 浙江美聯 and Profit Tycoon, the Group is no longer engaged in the land and property development and investment business in the PRC (the “**PRC Property Operation**”). Accordingly, the PRC Property Operation is classified as a discontinued operation.

11. DISCONTINUED OPERATIONS – CONTINUED

The consolidated financial results from the discontinued operations for the period from 1 April 2022 to the dates of disposals is set out below. The comparative information relating to the discontinued operations has been restated to conform to the current year's presentation.

	2023		
	Engineering Operation HK\$'000	PRC Property Operation HK\$'000	Total HK\$'000
Revenue	5,269,544	7,874	5,277,418
Cost of sales and services rendered	(5,088,651)	(1,393)	(5,090,044)
Gross profit	180,893	6,481	187,374
Other income	4,880	66	4,946
Administrative expenses	(223,465)	(34,673)	(258,138)
Distribution and selling expenses	-	(10,648)	(10,648)
Other gains and losses	(893)	(7,619)	(8,512)
Impairment loss recognised on financial assets and contract assets, net	(27,484)	(949)	(28,433)
Write-down of stock of properties	-	(115,324)	(115,324)
Finance costs	(26,873)	(22,650)	(49,523)
Fair value changes of investment properties	-	(29,110)	(29,110)
Share of results of associates	(8)	-	(8)
Share of results of joint ventures	(119)	-	(119)
Loss before taxation	(93,069)	(214,426)	(307,495)
Taxation	2,106	17,515	19,621
Loss for the year	(90,963)	(196,911)	(287,874)
(Loss) gain on disposal of discontinued operations, net of tax	(317,103)	38,110	(278,993)
Loss for the year from discontinued operations	(408,066)	(158,801)	(566,867)
Attributable to:			
Owners of the Company	(360,974)	(99,933)	(460,907)
Non-controlling interests	(47,092)	(58,868)	(105,960)
	(408,066)	(158,801)	(566,867)

11. DISCONTINUED OPERATIONS – CONTINUED

	2022		
	Engineering Operation <i>HK\$'000</i>	PRC Property Operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	10,649,270	11,566	10,660,836
Cost of sales and services rendered	(10,282,493)	(2,726)	(10,285,219)
Gross profit	366,777	8,840	375,617
Other income	7,918	1,781	9,699
Administrative expenses	(343,939)	(44,700)	(388,639)
Distribution and selling expenses	-	(5,456)	(5,456)
Other gains and losses	45,537	(189,243)	(143,706)
Impairment loss recognised on financial assets and contract assets, net	(11,848)	(22,312)	(34,160)
Write-down of stock of properties	-	(142,297)	(142,297)
Finance costs	(32,904)	(23,182)	(56,086)
Gain on disposal of subsidiaries	-	17,207	17,207
Fair value changes of investment properties	-	(480,549)	(480,549)
Share of results of associates	6,848	-	6,848
Share of results of joint ventures	254	465	719
Profit (loss) before taxation	38,643	(879,446)	(840,803)
Taxation	6,397	171,786	178,183
Profit (loss) for the year from discontinued operations	45,040	(707,660)	(662,620)
Attributable to:			
Owners of the Company	44,107	(525,802)	(481,695)
Non-controlling interests	933	(181,858)	(180,925)
	45,040	(707,660)	(662,620)

11. DISCONTINUED OPERATIONS – CONTINUED

	2023		
	Engineering Operation <i>HK\$'000</i>	PRC Property Operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net assets disposed of:			
Property, plant and equipment	139,604	55,266	194,870
Right-of-use assets	51,773	8,708	60,481
Investment properties	-	435,290	435,290
Project under development	-	169,495	169,495
Goodwill	5,523	-	5,523
Other intangible assets	136,952	448	137,400
Interests in joint ventures	861	-	861
Stock of properties	-	591,437	591,437
Loan receivables	179,226	-	179,226
Amount due from an associate	5,820	-	5,820
Amounts due from joint ventures	8,676	-	8,676
Amounts due from joint operations/other partners of joint operations	145,431	-	145,431
Trade and other receivables [#]	2,693,844	35,296	2,729,140
Contract assets	4,510,624	-	4,510,624
Taxation recoverable	955	-	955
Pledged bank deposits and restricted cash	68,348	-	68,348
Short term bank deposits	81,949	-	81,949
Bank balances and cash	808,158	27,938	836,096
Trade and other payables	(4,997,094)	(102,066)	(5,099,160)
Contract liabilities	(540,852)	-	(540,852)
Lease liabilities	(55,253)	(1,386)	(56,639)
Amount due to a joint venture	(3,937)	-	(3,937)
Amounts due to joint operations/other partners of joint operations	(345,920)	-	(345,920)
Amounts due to non-controlling shareholders	-	(90,192)	(90,192)
Taxation payable	(26,640)	(1,223)	(27,863)
Bank and other borrowings	(1,572,193)	(360,699)	(1,932,892)
Deferred tax liabilities	(21,271)	(248,005)	(269,276)
Obligations in excess of interests in associates	(2,500)	-	(2,500)
Net assets	1,272,084	520,307	1,792,391
Less: Non-controlling interests	(655,679)	(105,559)	(761,238)
	616,405	414,748	1,031,153

[#] Including an amount of approximately HK\$4,052,000 due from the Group.

11. DISCONTINUED OPERATIONS – CONTINUED

	2023		Total <i>HK\$'000</i>
	Engineering Operation <i>HK\$'000</i>	PRC Property Operation <i>HK\$'000</i>	
(Loss) gain on disposal of discontinued operations:			
Cash consideration	300,000	455,074	755,074
Directly attributable costs and levies	(1,079)	(9,750)	(10,829)
Net assets disposed of	(1,272,084)	(520,307)	(1,792,391)
Non-controlling interests	655,679	105,559	761,238
(Loss) gain on disposal before taxation and release of attributable reserve	(317,484)	30,576	(286,908)
Cumulative exchange differences in respect of the net assets of subsidiaries reclassified from equity to profit or loss on loss of control of subsidiaries	381	10,253	10,634
(Loss) gain on disposal before taxation	(317,103)	40,829	(276,274)
Less: Taxation	-	(2,719)	(2,719)
(Loss) gain on disposal of discontinued operations, net of tax	(317,103)	38,110	(278,993)

12. LOSS PER SHARE

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss per share		
- from continuing operations	(144,506)	(1,146,851)
- from discontinued operations	(460,907)	(481,695)
	(605,413)	(1,628,546)
	2023 <i>Number of shares</i>	2022 <i>Number of shares</i>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	1,091,976,963	1,103,916,114

12. LOSS PER SHARE – CONTINUED

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 years.

13. DISTRIBUTION

No dividend was recognised as distribution during both years.

The Board of the Company has resolved not to recommend for shareholders' approval the payment of any final dividend for the year ended 31 March 2023 (2022: Nil).

14. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors of about HK\$7,380,000 (2022: HK\$1,407,338,000). The Group's credit terms for customers are normally 60 days (2022: ranging from 60 to 90 days), which are negotiated at terms determined and agreed with its trade customers.

The ageing analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 90 days	7,380	331,862
More than 90 days and within 180 days	-	10,436
More than 180 days	-	1,065,040
	<hr/> 7,380	<hr/> 1,407,338
	<hr/> <hr/>	<hr/> <hr/>

15. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors of about HK\$3,922,000 (2022: HK\$726,635,000) and their ageing analysis presented based on the invoice date at the end of the reporting period is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables ageing analysis based on invoice date:		
Within 90 days	3,922	609,398
More than 90 days and within 180 days	-	91,801
More than 180 days	-	25,436
	<hr/> 3,922	<hr/> 726,635
	<hr/> <hr/>	<hr/> <hr/>

16. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

During the year ended 31 March 2023, the Group acquired a subsidiary from an independent third party at a consideration of approximately HK\$65,000,000. The subsidiary holds a floor of office premises and three car parking spaces in a commercial building as investment properties for rental in Hong Kong. The acquisition had been accounted for as an acquisition of assets and liabilities.

The effect of the acquisition is summarized as follows:

	<i>HK\$'000</i>
Net assets acquired:	
Investment properties	65,758
Other receivables	95
Other payables	(853)
	<hr/>
Cash consideration paid	65,000
	<hr/>

17. EVENTS AFTER THE REPORTING PERIOD

On 21 June 2023, the Group acquired a total of 410,000,000 shares of Oshidori International Holdings Limited ("**Oshidori**") on the open market at an aggregate consideration of approximately HK\$98.4 million. As at 31 March 2023 and prior to the acquisition, the Group held 55,000,000 shares of Oshidori. Upon the completion of the acquisition, the Group holds an aggregate of 465,000,000 shares of Oshidori, representing approximately 7.6% of the total issued share capital of Oshidori. Further details of the acquisition were disclosed in the Company's announcement dated 21 June 2023.

FINAL DIVIDEND

The Board of the Company has resolved not to recommend payment of a final dividend for the year ended 31 March 2023 (2022: Nil).

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed during the period from Friday, 25 August 2023 to Wednesday, 30 August 2023, both dates inclusive, during which period no transfer of share(s) of the Company will be registered for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2023 Annual General Meeting (the "2023 AGM") to be held on Wednesday, 30 August 2023. In order to be eligible to attend and vote at the 2023 AGM, all transfer document(s), accompanied by the relevant share certificate(s), must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 24 August 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE AND POSITION

Continuing operations

For the year ended 31 March 2023, the continuing operations of the Group recorded a consolidated revenue of approximately HK\$77 million (2022: HK\$134 million) and gross profit of approximately HK\$18 million (2022: HK\$58 million). The decrease in revenue was mainly due to the decrease in sale of liquefied petroleum gas ("LPG") and compressed natural gas ("CNG") products impacted by the popularity of electric-powered vehicles and the phase-out of LPG-powered vehicles in Wuhan City, while the decrease in gross profit was mainly attributable to the increase in procurement cost under the rising international oil and gas price. During the year, the Group recorded a loss before taxation from continuing operations of approximately HK\$142 million (2022: HK\$1,245 million), which was composed of:

- (i) net loss of approximately HK\$66 million (2022: gain of HK\$12 million) in ports and logistics segment;
- (ii) net loss of approximately HK\$6 million (2022: gain of HK\$3 million) in property segment;
- (iii) net gain of approximately HK\$1 million (2022: loss of HK\$1,153 million) in securities segment;
- (iv) net gain of approximately HK\$41 million (2022: loss of HK\$26 million) in financial services segment;
- (v) net corporate and other expenses of approximately HK\$89 million (2022: HK\$131 million);
- (vi) net exchange loss of approximately HK\$9 million (2022: gain of HK\$7 million);
- (vii) other income from the distribution from former subsidiaries in liquidation of nil (2022: HK\$141 million);
- (viii) impairment loss reversed on amounts due from former subsidiaries in liquidation of HK\$3 million (2022: impairment loss of HK\$89 million recognised); and
- (ix) finance costs of approximately HK\$17 million (2022: HK\$9 million).

After taking into account the tax charge of approximately HK\$0.4 million (2022: tax credit of HK\$102 million), the continuing operations of the Group recorded loss for the year of approximately HK\$142 million (2022: HK\$1,143 million).

Discontinued operations

During the year, the Group has discontinued the engineering operation upon the disposal of Paul Y. Engineering Group Limited (“**Paul Y. Engineering**”) and the property operation in the People’s Republic of China (the “**PRC**”) upon the disposal of Profit Tycoon Holdings Limited (“**Profit Tycoon**”). The discontinued operations recorded loss for the year of HK\$567 million (2022: HK\$663 million), which was composed of:

- (i) net loss of approximately HK\$383 million (2022: gain of HK\$72 million) in engineering segment;
- (ii) net loss of approximately HK\$154 million (2022: HK\$859 million) in the PRC property segment;
- (iii) net exchange loss of approximately nil (2022: gain of HK\$2 million);
- (iv) finance cost of approximately HK\$50 million (2022: HK\$56 million); and
- (v) tax credit of approximately HK\$20 million (2022: HK\$178 million).

Net loss for the year attributable to the owners of the Company was approximately HK\$605 million (2022: HK\$1,629 million) and basic loss per share was approximately HK55.4 cents (2022: HK147.5 cents). The decrease in net loss for the year was mainly due to the absence of fair value loss of investments in equity and debt instruments held for trading, as compared with the net fair value loss in last year 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).

When compared with the Group’s financial position as at 31 March 2022, total assets decreased by 82% to approximately HK\$1,949 million (2022: HK\$11,126 million) mainly due to the deconsolidation of Paul Y. Engineering. As at 31 March 2023, net current assets amounted to approximately HK\$227 million (2022: HK\$1,489 million), whereas current ratio deriving from the ratio of current assets to current liabilities maintained at 1.38 times (2022: 1.20 times). After taking into account (a) the net loss attributable to the owners of the Company of approximately HK\$605 million; (b) the post-tax impact for the decrease in carrying amount of financial assets measured at fair value through other comprehensive income of approximately HK\$82 million recognised in the investment revaluation reserve; (c) the Renminbi exchange deficit of approximately HK\$54 million arising from translation of foreign operations; (d) the reclassification of exchange surplus to profit or loss upon disposals of subsidiaries of approximately HK\$11 million; and (e) the share repurchased with aggregated consideration of approximately HK\$55 million, equity attributable to owners of the Company decreased by 37% to approximately HK\$1,353 million (2022: HK\$2,160 million), representing HK\$1.30 (2022: HK\$1.96) per share as at 31 March 2023.

REVIEW OF OPERATIONS AND BUSINESS DEVELOPMENT

Engineering

Paul Y. Engineering (48.23% owned with 58.23% voting rights before deemed disposal in November 2022)

During the year, Paul Y. Engineering contributed approximately HK\$5,270 million (2022: HK\$10,649 million) to the segment revenue and loss of approximately HK\$383 million (2022: profit of HK\$72 million) to the segment result respectively. The decrease in segment revenue for the year was mainly due to the deconsolidation of Paul Y. Engineering since deemed disposal in November 2022 so that only seven months' result of Paul Y. Engineering was consolidated into the financial statements of the Group for the year as compared with ten months' result for the preceding year. Segment result for the year ended 31 March 2023 included a loss on deemed disposal of Paul Y. Engineering of approximately HK\$317 million, while the segment result for the year ended 31 March 2022 included a gain on remeasurement of the Group's 48.23% equity interest in Paul Y. Engineering to fair value of approximately HK\$52 million. Excluding the above one-off non-operating loss on disposal and gain on remeasurement of equity interests in Paul Y. Engineering, the segment result turned from a profit of approximately HK\$20 million for the preceding year to a loss of approximately HK\$66 million for the year which was mainly due to increase in impairment loss provision and decrease in gross profit derived from construction contracts for the year.

Paul Y. Engineering is a leading construction and engineering group headquartered in Hong Kong, offering comprehensive and integrated project management and delivery services and facilities management services in Hong Kong, Mainland China, Macau and Southeast Asia. For over 75 years, Paul Y. Engineering has been at the heart of some of the most challenging and impressive construction and engineering projects that have shaped the iconic skylines of Hong Kong and many other cities. Through growth in recent decades, Paul Y. Engineering has developed and become one of Hong Kong's largest contracting businesses.

Paul Y. Engineering has been pursuing business expansion and actively undertaking large-scale infrastructure projects for the Hong Kong government. Given the awarded contracts have increased, substantial resources are required by Paul Y. Engineering to satisfy the employed capital and working capital requirements prescribed by the Works Branch of the Development Bureau of the Hong Kong government. Under the prevailing market circumstances, refinancing arrangement is uncertain and the financing cost is high amidst the aggressive interest rate cycle, Paul Y. Engineering is inevitably required to raise fund from its shareholders for meeting the general working capital need and debt repayment. In September 2022, Paul Y. Engineering proposed to raise approximately HK\$967 million by way of the rights issue, of which the Group was entitled to subscribe for the rights shares in proportion to the Group's equity interest in Paul Y. Engineering in an aggregate subscription amount of approximately HK\$466 million.

The Group does not share the same philosophy with Paul Y. Engineering's business strategies and market positioning of the aggressive expansion in large-scale but low-profit margin infrastructure projects. The working capital requirement of Paul Y. Engineering has imposed immediate pressure on the Group's cash flow. In addition, considering that in case of any future equity fund raising exercise to be undertaken by Paul Y. Engineering, the Group's interest in Paul Y. Engineering will be further diluted if the Group is not supportive of the initiatives for meeting its funding needs and does not devote additional resources to maintain its proportionate interest in Paul Y. Engineering, the Group had reassessed its positioning in the Paul Y. Engineering investment.

As such, on 4 November 2022, the board of directors of the Company resolved (a) to return the voting right of a block of approximately 10% shareholding in Paul Y. Engineering (the "**Voting Rights**") back to the original assignor who had irrevocably and unconditionally assigned such Voting Rights to the Group on 1 June 2021; (b) not to subscribe for the entitled rights shares under the rights issue; and (c) to divest its investment in Paul Y. Engineering. Accordingly, on 4 November 2022, the Group irrevocably and unconditionally reassigned the Voting Rights back to the original assignor at nil consideration (the "**Reassignment**"). After the Group surrendered exercising its subscription rights for Paul Y. Engineering's rights shares, on 5 November 2022, Paul Y. Engineering completed its rights issue and allotment of 1,516,147,126 rights shares at a subscription price of HK\$0.33 each to its qualified shareholders, resulting in a dilution of the Company's equity interest in Paul Y. Engineering from approximately 48.23% to approximately 29.75% (the "**Dilution**"). On 5 November 2022, the Group entered into a non-legally binding memorandum of understanding for the disposal of the remaining 29.75% equity interest in Paul Y. Engineering to the current controlling shareholder of Paul Y. Engineering, and the conditional agreement for the disposal was subsequently entered on 14 November 2022 with an agreed consideration of HK\$300 million, as it is considered to be a good opportunity to optimise the Group's resource allocation for long-term business development and enhance the financial flexibility and capabilities of the Group to support other potential and suitable business opportunities.

Immediately after the Reassignment and Dilution in November 2022, the Group's voting rights in Paul Y. Engineering decreased from approximately 58.23% to approximately 29.75%. Accordingly, the Group no longer retained majority control of the voting rights at any general meetings of Paul Y. Engineering and Paul Y. Engineering ceased to be recognised as a subsidiary of the Company and recorded a loss of approximately HK\$317 million from the deemed disposal.

Following the completion of the disposal of the remaining 29.75% equity interest of Paul Y. Engineering on 29 March 2023, the Group is no longer engaged in providing comprehensive engineering and property-related services. The engineering business is therefore classified as a discontinued operation of the Group.

Despite the disposal of Paul Y. Engineering, the Group is open to any business (including the construction and engineering business) and/or investment opportunities that provide satisfactory returns to the Group.

Ports and Logistics

LPG, CNG and LNG Distribution and Logistics (100% owned)

During the year, the LPG and CNG distribution and logistics businesses of Minsheng Gas in Wuhan recorded a segment loss of approximately HK\$69 million (2022: profit of HK\$12 million). Excluding the one-off impairment provision for the capitalised liquefied natural gas (“LNG”) project costs of approximately HK\$54 million (2022: one-off government compensation of HK\$11 million on resumption of the fuel station land), the turnaround of the segment’s operating result from a profit of HK\$1 million in last year to an operating loss of HK\$15 million in the current year was mainly attributable to the increase in procurement cost under the rising international oil and gas price that slashed the gross margin from 26% to 15%. 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 during the year, sales of LPG decreased by 62% to approximately 1,150 tonnes (2022: 3,000 tonnes). The sales of CNG decreased by 26% to approximately 14.2 million m³ (2022: 19.1 million m³) impacted by the popularity of electric-powered vehicles.

Currently, Minsheng Gas owns and operates a LPG storage-tank farm and a river terminal in Hubei Province, and has four CNG automotive fueling stations in Wuhan City.

The Government of the PRC has made a strong commitment to reduce the carbon emission and has issued policies to speed up the development of clean energy such as LNG. Given that LNG is more efficient in terms of storage and long-distance transportation as compared to piped natural gas, there is tremendous growth potential for LNG storage and infrastructure development. In consideration of the LNG growth potential, Minsheng Gas intends to seize the opportunity to expand its business by initiating a two-phase development plan to construct new LNG storage tanks and LNG berths catering to domestic residential, transportation and industrial demands. Under the development plan, the LNG storage facilities of Minsheng Gas will be designated as a regional storage and trans-shipment hub for LNG in Hubei Province.

As of 31 March 2023, the pre-construction works for the first phase of LNG project had substantially been completed. Taking into account the significant risk embedded in the LNG project, including (i) the significant estimated investment cost for the entire LNG project; (ii) the lengthy payback period for the infrastructure investment; and (iii) the profitability of the LNG project is highly subject to the continuity of the current PRC national energy policy and the government’s approval for the exclusive usage and the construction of the LNG berth terminals along the shoreline of the Yangtze River in the Wuhan City region, the Group has been taking a more cautious investment approach towards the development plan and has considered bringing in co-investors for the LNG project to share risks.

On 19 May 2022, the Company had reached an agreement with 湖北能源集團股份有限公司 (Hubei Energy Group Co., Ltd*) (the “**Investor**”, a company established in the PRC with limited liability which is listed on the Shenzhen Stock Exchange (stock code: 000883.SZ) and controlled by a stated-owned enterprise 中國長江三峽集團有限公司 (China Three Gorges Corporation*)), that the Investor conditionally agreed to inject US\$42.67 million (equivalent to approximately HK\$335 million) into Minsheng Gas to acquire 51% enlarged equity interest in Minsheng Gas (the “**Proposed Capital Injection**”). However, since such Proposed Capital Injection will constitute a deemed disposal of Minsheng Gas, the Listing Division of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) notified the Company on 20 July 2022 that such deemed disposal formed part of a series of disposals of a material part of the Company’s existing business after a change in de facto control and should be restricted under Rule 14.06E of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Details of the Proposed Capital Injection, including the reasons for and benefits of the Proposed Capital Injection, the decision of the Listing Division and the Company’s perspective on the Listing Division’s decision are disclosed in the Company’s announcement dated 1 August 2022. The Group had tried to renegotiate with the Investor to explore alternative cooperation proposals in respect of the LNG project, but no feasible alternative cooperation structure could be agreed upon, and the Investor eventually withdrew its interest in December 2022.

Considering the risk of the LNG project and the current financial resources of the Group, the Group will not and is not capable of carrying on the entire LNG project on its own. The success in bringing in co-investors and new capital for the LNG project is a decisive factor for the continuation of the project. The Company is still endeavoring to explore cooperation opportunities with various potential investors on the LNG project, but no specific plan that can be agreed upon up to the date of this announcement. In view of the uncertainties on the continuation and recoverability of the LNG project after the failure in bringing in co-investors, full impairment provision has been recognised for the capitalised LNG project costs of approximately HK\$54 million during the year.

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**”) contributed dividend income of HK\$3 million (2022: Nil) to the segment result for the year.

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 equity interest in Yangkou Port Co is classified as financial assets measured at fair value through other comprehensive income. As at 31 March 2023, the investment in Yangkou Port Co was stated at fair value of approximately HK\$83 million (2022: HK\$119 million). The unrealised decrease in fair value of approximately HK\$36 million (2022: HK\$118 million) for the year was recognised in other comprehensive expense.

Given the lack of a stable and attractive dividend policy established in Yangkou Port Co, the Group is assessing its options on this investment based on its value accretion potential.

Property

In view of the substantial future development cost and lengthy land development process for the significant size of the 11.42 sq km land bank situated at Xiao Yangkou, which is under development as a regional tourism site of national standard with hot spring and recreational facilities (the “**Land**”), as well as the substantial risks and uncertainties in associate with the Land development, the management decided to realise its entire investments in Xiao Yangkou through disposal of its wholly-owned subsidiary Profit Tycoon Holdings Limited and discontinued to engaged in the business of land development in the PRC. Following the lapse of the conditional agreement for the disposal of Profit Tycoon dated 15 September 2021 on 23 December 2022, the Group entered into a new conditional agreement with another purchaser on 24 December for the disposal of Profit Tycoon at an initial consideration of HK\$406 million. The disposal was completed on 6 March 2023 with finalised consideration of approximately HK\$383 million and resulted in a gain on disposal of approximately HK\$34 million.

On 31 October 2022, the Group completed the disposal of a building known as “Pioneer Technology Building” in Hangzhou City, the PRC, through the disposal of its indirect wholly-owned subsidiary 浙江美聯置業有限公司 (Zhejiang Midland Property Co. Ltd*) at a consideration of RMB65 million (equivalent to approximately HK\$72 million) and resulted in a gain on disposal of approximately HK\$4 million. The building contributed rental income of approximately HK\$8 million (2022: HK\$12 million) to the property segment during the year.

Upon and after the disposal of the Group's entire investment in Xiao Yangkou and Pioneer Technology Building during the year, the Group no longer engaged in the land and property development investment in the PRC. During the year, the land and property development business in the PRC, which is classified as a discontinued operation of the Group, recorded a segment loss of approximately HK\$154 million (2022: HK\$859 million). The loss was mainly attributable to (i) write-down of stock of properties (before tax and non-controlling interest) of approximately HK\$115 million (2022: HK\$142 million); and (ii) the fair value loss on investment properties of approximately HK\$29 million (2022: HK\$481 million).

The Group is currently repositioning its focus on the property segment in Hong Kong and overseas, taking advantage of the downturn of the Hong Kong and overseas property market to capture the potential market upside in future.

On 16 September 2022, the Group subscribed for 25% equity interest in Quality World Investments Limited ("**Quality World**") at a consideration of HK\$44.5 million. Quality World, through its wholly-owned subsidiary, principally engages in property investment and holds various office premises in Hong Kong for rental. On 18 November 2022, the Group completed the acquisition of a floor of office premises and three car parking spaces of a commercial building in Chai Wan, Hong Kong, which will be held for rental. During the year, the continuing property business recorded a segment loss of approximately HK\$6 million (2022: profit of HK\$3 million), as the demand and market price for the office premises in Hong Kong is yet to recover.

Securities

The securities segment recorded a segment profit of approximately HK\$1 million (2022: loss of HK\$1,153 million) for the year, which was mainly attributable to the dividend from the investments in equity instruments not held for trading of approximately HK\$1 million (2022: net fair value loss of investments in debt and equity instruments held for trading of approximately HK\$1,165 million).

As at 31 March 2023, the Group's investments in listed equity instruments not held for trading amounted to approximately HK\$90 million (2022: HK\$129 million). The decrease in fair value of approximately HK\$39 million (2022: HK\$33 million) for the year was recognised in other comprehensive expense.

In view of the fluctuation of the securities market, 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 profit of approximately HK\$41 million (2022: loss of HK\$26 million) for the year, which was mainly attributable to the share of profit of its investee associates of about HK\$41 million (2022: loss of HK\$14 million) during the year.

In view of the increasing credit risk in the market, the Group adopted a more cautious approach in managing its direct loan financing business aiming to gradually build up a creditworthy clientele base.

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 year, the Group shared profit of approximately HK\$13 million (2022: HK\$6 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 HK\$20 million (2022: HK\$13 million) to the Group during the year.

The Group participated in the integrated financial services sectors, particularly the licensed securities brokerage and margin financing business through joint venture investments to share knowledge, expertise and network in the field with industry partners. As at 31 March 2023, through equity investments in Hope Capital Limited (“**Hope Capital**”) 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 and asset management. The investments are classified as associates of the Company and the Group shares profits of approximately HK\$10 million (2022: Nil) during the year.

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

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 31 March 2023.

MATERIAL ACQUISITION AND DISPOSAL

On 9 September 2022, the Group entered into a sale and purchase agreement with 南通興嘉橙企業管理有限公司(Nantong Xingjiacheng Enterprise Management Co.*) in relation to the disposal of the entire equity interest in 浙江美聯置業有限公司 (Zhejiang Midland Property Co. Ltd*), an indirect wholly-owned subsidiary of the Company which owns Pioneer Technology Building, at a consideration of RMB65 million (equivalent to approximately HK\$72 million). The disposal was completed on 31 October 2022.

On 16 September 2022, the Group subscribed for 25% equity interest in Quality World Investments Limited at a consideration of HK\$44.5 million. Quality World is principally engaged in property investment and holds various office premises in Hong Kong for rental.

On 7 October 2022, the Group entered into a subscription agreement to subscribe for approximately 24.64% equity interest in Hope Capital Limited at a consideration of HK\$75 million. Hope Capital's direct wholly-owned subsidiary, Hope Securities Limited, is licensed to carry out regulated activities in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) under the Securities and Futures Ordinance in Hong Kong and is principally engaged in the provision of one-stop integrated financial services including securities brokerage and margin financing services. The subscription was completed on 10 October 2022.

On 27 October 2022, the Group entered into a sale and purchase agreement with Ms Fung Yuk Tai in relation to the acquisition of the entire equity interest in and the shareholder's loan of Vogalsan Limited ("Vogalsan") at the total consideration of HK\$65 million. Vogalsan is principally engaged in property investment through its direct wholly-owned subsidiary which holds a floor of office premises and three car parking spaces of a commercial building in Chai Wan, Hong Kong. The acquisition was completed on 18 November 2022.

On 4 November 2022, the Group executed a reassignment deed with Elemet Limited relating to the irrevocable and unconditional reassignment of a block of approximately 10% voting rights in Paul Y. Engineering to the independent third party who had irrevocably and unconditionally assigned such voting rights to the Group on 1 June 2021 at nil consideration. Upon the Reassignment, the Group's voting rights in Paul Y. Engineering decreased from approximately 58.23% to approximately 48.23% and the Group no longer retained majority control of the voting rights at any general meetings of Paul Y. Engineering. Accordingly, Paul Y. Engineering ceased to be recognised as a subsidiary of the Company.

On 5 November 2022, Paul Y. Engineering completed its rights issue and allotment of 1,516,147,126 rights shares at a subscription price of HK\$0.33 each to its qualified shareholders, resulting in a dilution of the Company's equity interest in Paul Y. Engineering from approximately 48.23% to approximately 29.75%.

On 14 November 2022, the Group entered into a sale and purchase agreement with Maple Luck Limited in relation to the disposal of 1,177,242,054 shares of Paul Y. Engineering, representing approximately 29.75% of the entire issued share capital of Paul Y. Engineering to the current controlling shareholder of Paul Y. Engineering at the consideration of HK\$300 million. The disposal was completed on 29 March 2023.

On 24 December 2022, the Group entered into a sale and purchase agreement with Summit Day Limited in relation to the disposal of Profit Tycoon Holdings Limited at the consideration of HK\$406 million (subject to adjustment). The disposal was completed on 6 March 2023 with adjusted consideration finalised at approximately HK\$383 million.

Save as disclosed above, the Group did not have material acquisition and disposal of subsidiaries, associates and joint ventures during the year.

EVENTS AFTER THE REPORTING PERIOD

On 21 June 2023, the Group acquired a total of 410,000,000 shares of Oshidori International Holdings Limited (“**Oshidori**”) on the open market at an aggregate consideration of approximately HK\$98.4 million. As at 31 March 2023 and prior to the acquisition, the Group held 55,000,000 shares of Oshidori. Upon the completion of the acquisition, the Group holds an aggregate of 465,00,000 shares of Oshidori, representing approximately 7.6% of the total issued share capital of Oshidori. Further details of the acquisition were disclosed in the Company’s announcement dated 21 June 2023.

Save as disclosed above, 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 reviews 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 in the past provides 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 31 March 2023, the Group had total assets of HK\$1,949 million (2022: HK\$11,126 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 year, 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 31 March 2023, the Group's bank and other borrowings amounted to approximately HK\$535 million (2022: HK\$1,661 million) with approximately HK\$533 million (2022: HK\$1,439 million) repayable on demand or within one year and approximately HK\$2 million (2022: HK\$222 million) repayable after one year. Borrowings denominated in Hong Kong dollar of approximately HK\$525 million bore interest in fixed rate (2022: HK\$1,082 million bore interest at floating rate and HK\$200 million bore interest at fixed rate). Borrowings denominated in Renminbi of approximately HK\$10 million (2022: HK\$379 million) bore interest at fixed rate. The Group's gearing ratio decreased to 0.40 (2022: 0.77), which was calculated based on the total borrowings of approximately HK\$535 million (2022: HK\$1,661 million) and the Group's shareholders' funds of approximately HK\$1,353 million (2022: HK\$2,160 million).

Cash, bank balances and deposits of the Group as at 31 March 2023 amounted to approximately HK\$774 million (2022: HK\$989 million), of which approximately HK\$756 million (2022: HK\$902 million) was denominated in Hong Kong dollar and approximately HK\$18 million (2022: HK\$76 million) was denominated in Renminbi.

CAPITAL STRUCTURE

During the year, the Group has not conducted any equity fund raising activities. As at 31 March 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 year, 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 31 March 2023, the Group had no contingent liabilities (2022: indemnities of approximately HK\$61 million issued to financial institutions for bonds on construction contracts of joint operations).

PLEDGE OF ASSETS

As at 31 March 2023, the Group pledged certain property interests and property, plant and equipment of the Group with an aggregate value of approximately HK\$10 million (2022: certain property interests, property, plant and equipment, bank balances and cash of HK\$389 million) to secure general credit facilities granted to the Group.

In addition, the Company pledged its investment in certain subsidiaries in aggregate with a book value of approximately HK\$128 million (2022: Nil) to secure the facilities granted.

COMMITMENTS

As at 31 March 2023, the Group had expenditure contracted for but not provided for in the 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 (2022: HK\$15 million).

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

Including the directors of the Company, as at 31 March 2023, the Group employed a total of 150 full-time employees (2022: 2,647 full-time employees, which included 2,187 employees of Paul Y. Engineering and 282 employees from the discontinued property business in the PRC). Remuneration packages consisted of salary as well as performance-based bonus.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased a total of 62,970,000 ordinary shares of the Company on the Stock Exchange with the aggregate consideration paid (before expenses) amounting to HK\$54,848,100. All repurchased shares were cancelled. The Board believes that the repurchase of the Company's shares can enhance the Company's net asset value per share.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2023, the Company has complied with the code provisions in Part 2 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

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**”) as its own code for dealing in the securities of the Company by the Directors. According to specific enquiries made by the Company, all the Directors have confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 March 2023.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

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.

The annual results of the Group for the year ended 31 March 2023 have been reviewed by the Audit Committee.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Group’s auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by Crowe (HK) CPA Limited on this preliminary announcement.

APPRECIATION

We would like to take this opportunity to express our gratitude to our shareholders, clients and partners for their continuous support and confidence to the Group and our appreciation to our executives and staff across the nation for their dedication and contribution during the past year.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website at www.blueriverholdings.com.hk under "Announcements" in the "Investor Relations" section and the Stock Exchange's website at www.hkexnews.hk under "Listed Company Information". The 2023 Annual Report will be despatched to shareholders of the Company and will be made available on the aforesaid websites in July 2023.

ANNUAL GENERAL MEETING

The 2023 AGM is scheduled to be held on Wednesday, 30 August 2023. Notice of the 2023 AGM will be published on the websites of both the Stock Exchange and the Company and despatched to the Company's shareholders in due course.

* *For identification purpose only*

By Order of the Board

Blue River Holdings Limited

Benny KWONG

Chairman

Hong Kong, 29 June 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