Blue River Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 498)

MAJOR TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY

THE DISPOSAL

On 15 November 2024 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Agent entered into a Provisional Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Property at the Consideration.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened for the purpose of considering and, if thought fit, approving, *inter alia*, the Disposal and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Disposal; (ii) the valuation report of the Property; (iii) other information as required to be disclosed under the Listing Rules; and (iv) the notice convening the SGM is expected to be despatched to the Shareholders on or before 31 December 2024 since additional time is required for the preparation of the circular.

Completion is conditional upon fulfilment of the condition set out in the paragraph headed "Condition precedent" in this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 15 November 2024 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Agent entered into a Provisional Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Property at the Consideration.

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

The principal terms of the Provisional Sale and Purchase Agreement are set out below:

Date

15 November 2024 (after trading hours)

Parties

(1) the Purchaser;

(2) the Vendor; and

(3) the Agent.

Assets to be disposed of

The Property comprises the whole floor of the 9th floor and three car parking spaces (Nos. 222, 223 and 224) on the 2nd floor of E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong, with a gross floor area of approximately 7,758 sq. ft. and a saleable area of approximately 6,056 sq. ft. excluding car parking spaces area.

The Property was acquired by the Company through the acquisition of, among others, the entire equity interest of the Vendor in October 2022 for investment purpose.

The net rental incomes (before and after tax) of the Group attributable to the Property for the two financial years ended 31 March 2023 and 2024 are as follows:

	For the year ended 31 March	
	2024	**2023**
	(audited)	*(audited)*
	HK$'000	*HK$'000*
Net rental income before tax	1,800	—
Net rental income after tax	1,800	—

Based on the financial information of the Vendor for the year ended 31 March 2024, the audited book value of the Property as at 31 March 2024 was HK$53,500,000.

The Consideration

The Consideration of the Disposal is HK$50,000,000, payable by the Purchaser to the Vendor (or the Vendor's solicitors as a stakeholder, as the case may be) in the following manner:

(a) HK$2,500,000 has been paid as an initial deposit upon signing of the Provisional Sale and Purchase Agreement;

(b) HK$2,500,000 as a further deposit will be payable upon signing of the formal agreement for the sale and purchase of the Property on or before 29 November 2024; and

(c) the balance in the sum of HK$45,000,000 will be payable in full upon Completion.

The deposits payable under (a) and (b) above will be paid to the Vendor's solicitors as a stakeholder who will release the same to the Vendor immediately provided that the balance of the Consideration is sufficient to discharge the existing charge/mortgage against the Property and the Vendor shall have fulfilled the condition precedent set out in the paragraph headed "Condition precedent" in this announcement.

Pursuant to the Provisional Sale and Purchase Agreement, the Agent is entitled to receive a commission in the amount of HK$400,000 (being 0.8% of the Consideration) from each of the Vendor and the Purchaser on the Completion Date.

The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser and determined with reference to, among others, the prevailing market conditions and the fair value of the Property of HK$48,700,000 as at 30 September 2024 (the "**Appraised Value**") based on the preliminary valuation of the Property conducted by Peak Vision Appraisals Limited, an independent property valuer, adopting the investment method.

Given that the Consideration is slightly above the Appraised Value, the Directors consider that the Consideration is fair and reasonable.

Stamp duty

All ad valorem stamp duty will be borne by the Purchaser.

Formal agreement

A formal agreement in respect of the Disposal will be signed by the Vendor and the Purchaser on or before 29 November 2024.

Condition precedent

The Completion is conditional upon the passing of the relevant resolution(s) by the Shareholders at the SGM approving, *inter alia*, the Disposal and the transactions contemplated thereunder before the Completion Date.

If the Vendor fails to provide the Purchaser with a certified copy of the relevant Shareholders' resolution(s) aforesaid to prove the Vendor's fulfilment of the above condition precedent before the Completion Date, the Provisional Sale and Purchase Agreement will be terminated, upon which all deposit(s) paid by the Purchaser to the Vendor or its solicitors will forthwith be refunded to the Purchaser without interest, costs or compensation. Neither party shall take any actions or proceedings against the other party to claim for damages or to enforce specific performance of the Provisional Sale and Purchase Agreement and the parties thereto shall at their own costs and expenses enter into a termination agreement.

Completion

Upon fulfilment of the condition precedent set out in the paragraph headed "Condition precedent" above, the Completion will take place on the Completion Date.

Upon Completion, the Property will be sold to the Purchaser on an "as is" basis and the Vendor will deliver vacant possession of the Property to the Purchaser.

INFORMATION ON THE PARTIES

The Vendor

The Vendor is a company incorporated in Hong Kong with limited liability and principally engaged in the property investment. The Vendor is the registered owner of the Property.

The Purchaser

The Purchaser is an individual buyer procured by the Agent from the open market and is an Independent Third Party.

The Agent

The Agent is a company incorporated in Hong Kong with limited liability and operates property agencies in Hong Kong. The Agent and its ultimate beneficial owner(s) are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in, *inter alia*, gas distribution and logistics in the PRC, as well as property investment, securities trading and investment, and provision of financing related services.

Taking into consideration the prevailing property market conditions, the increasing competition and unstable future outlook in the property market in Hong Kong, and to preserve the financial and liquidity position of the Group, the Board is of the opinion that the Disposal represents a good opportunity for the Group to realise the value of the Property at a reasonable price. In addition, the proceeds from the Disposal will strengthen the financial position of the Group and increase the general working capital of the Group.

The Directors consider that the Disposal is conducted in the ordinary and usual course of business of the Group and the terms of the Provisional Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and, the entering into of the Provisional Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Based on (i) the Consideration; (ii) the audited book value of the Property of HK$53.5 million as at 31 March 2024; and (iii) the related transaction costs and expenses of approximately HK$1.1 million, it is estimated that a loss of approximately HK$4.6 million will be recorded as a result of the Disposal. The actual financial effect in connection with the Disposal is subject to review and final audit by the Company's auditor.

The Group intends to use the net proceeds from the Disposal (after deducting the transaction costs and expenses) of approximately HK$48.9 million as the general working capital of the Group.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened for the purpose of considering and, if thought fit, approving, *inter alia*, the Disposal and the transactions contemplated thereunder. As at the date of this announcement, no Shareholder has a material interest in the Disposal and the transactions contemplated thereunder and, accordingly, no Shareholder will be required to abstain from voting at the SGM to approve the ordinary resolution(s) regarding the Disposal and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Disposal; (ii) the valuation report of the Property; (iii) other information as required to be disclosed under the Listing Rules; and (iv) the notice convening the SGM is expected to be despatched to the Shareholders on or before 31 December 2024 since additional time is required for the preparation of the circular.

Completion is conditional upon fulfilment of the condition set out in the paragraph headed "Condition precedent" in this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

"Agent"	A Land Property Limited
"Board"	board of Directors
"Company"	Blue River Holdings Limited (Stock Code: 498), an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Completion"	completion of the Disposal in accordance with the terms and condition under the Provisional Sale and Purchase Agreement (or, where applicable, the subsequent formal sale and purchase agreement)
"Completion Date"	the date on which the Completion shall take place on or before 31 March 2025
"Consideration"	HK$50,000,000, being the consideration for the Disposal pursuant to the Provisional Sale and Purchase Agreement
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of the Property pursuant to the terms and condition of the Provisional Sale and Purchase Agreement (or, where applicable, the subsequent formal sale and purchase agreement)
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
"PRC"	the People's Republic of China

"Property"	comprising the whole floor of the 9th floor and three car parking spaces (Nos. 222, 223 and 224) on the 2nd floor of E-Trade Plaza, 24 Lee Chung Street, Chai Wan, Hong Kong, with a gross floor area of approximately 7,758 sq. ft. and a saleable area of approximately 6,056 sq. ft. excluding car parking spaces area
"Provisional Sale and Purchase Agreement"	the provisional sale and purchase agreement dated 15 November 2024 entered into among the Vendor, the Purchaser and the Agent in respect of the Disposal
"Purchaser"	Ms. Lui Ip, King Yee Elsa
"SGM"	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, *inter alia*, the Disposal and the transactions contemplated thereunder
"Share(s)"	share(s) of par value of HK$0.1 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the shares of the Company
"sq. ft."	square feet
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Golden Lake Property Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"%"	per cent.

By Order of the Board

Blue River Holdings Limited

HO Sze Nga

Company Secretary

Hong Kong, 15 November 2024

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

Executive Directors:	*Independent Non-Executive Directors:*
Benny KWONG	William GILES
(Chairman and Managing Director)	YU Chung Leung
AU Wai June	LAM John Cheung-wah