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Blue River Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 498)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CHANGE OF AUDITOR

Reference is made to the announcement of Blue River Holdings Limited (the “**Company**”) dated 19 May 2026 (the “**Announcement**”) in relation to the change of auditor. Unless otherwise stated, capitalised terms used herein shall bear the same meaning as defined in the Announcement.

The Company would like to provide the following supplemental information to the Shareholders on the change of Auditor.

CHRONOLOGY OF EVENTS LEADING TO THE CHANGE OF AUDITOR

Early May 2026: The Company and Crowe agreed on the FY2026 annual audit fee of HK\$1,000,000, with approval from the Audit Committee and Board. A formal fee quotation was executed, forming the basis for Crowe to commence audit planning. The fee was determined through arm’s length negotiation based on preliminary financial information, including the unaudited management accounts for the nine months ended 31 December 2025. By that time, the Management of the Company discussed with Crowe that the coal trading operations were relatively straightforward in nature and the volume of transactions had not been large so far, and detailed underlying books and supporting documentation in respect of coal trading operations were not yet made available to Crowe at that stage.

14 May 2026: Subsequent to the execution of the fee quotation, Crowe commenced its detailed audit planning procedures and obtained access to more comprehensive financial information. Based on its detailed review and audit risk assessment, Crowe informed the Board and Audit Committee that the audit scope for the Coal Trading Business (commenced in July 2025) was

significantly greater than anticipated, requiring expanded testing, additional resources, and extended completion time. Crowe proposed a revised audit fee of HK\$1,400,000. Crowe explained that although preliminary nine-month financial information was provided in February 2026, the need for additional work only became apparent after progressing from initial fee assessment to detailed audit planning following execution of the fee quotation.

15 May 2026: The Audit Committee met with Crowe to discuss the fee revision. Following Crowe's elaboration on the additional procedures required, the Audit Committee and Management decided, for prudence, to obtain comparative fee quotations from other audit firms, including Zhonghui (which had been engaged to conduct the FY2026 internal control review).

18 May 2026: The Audit Committee held another meeting to consider the fee revision request alongside comparison quotes from three candidates. Zhonghui submitted a comprehensive audit plan and the most competitive quotation of HK\$980,000.

19 May 2026: The Company informed Crowe that the fee revision was not acceptable. Crowe resigned as Auditor with effect from that date and provided a clearance letter to Zhonghui. Crowe's resignation cited the disagreement on audit fees and confirmed there were no other circumstances requiring shareholder attention. The Board, upon the Audit Committee's recommendation, resolved to appoint Zhonghui as Auditor to fill the casual vacancy effective 19 May 2026.

Matters Not Discussed During Fee Negotiation

At the time of fee negotiation, Crowe had not commenced detailed audit fieldwork on the Coal Trading Business and the Company had not yet provided the underlying purchase contracts, sales contracts, settlement documents, or other supporting records to Crowe for review from an accounting and audit perspective because all the related documentation were kept at the relevant subsidiaries of the Group located in the mainland China. This is consistent with the Group's record-keeping practices, where operational documents are maintained at the local subsidiaries where the business activities are conducted and for the purpose of due observance of the confidentiality rules and regulations in the mainland China. Following the engagement's commencement, Crowe reviewed the detailed transaction documents and identified complex contractual features, including variable pricing mechanisms linked to the CCI index, quantity and quality adjustment clauses, final settlement arrangements, and principal-versus-agent assessment considerations. Crowe concluded that additional audit procedures and resources were necessary. These matters were not discussed during fee negotiation because the underlying documents had not yet been subject to detailed audit review.

AUDIT COMMITTEE'S ASSESSMENT OF ZHONGHUI

1. **Holistic assessment, not lowest-fee selection:** The Audit Committee considered audit scope, risks, approach, timetable, resources, senior personnel involvement, listed company audit experience, independence, and objectivity.
2. **Comparable audit scope:** The Company was unaware of any material differences between Zhonghui's proposed scope (covering Crowe's extended scope in respect of Coal Trading Business) and Crowe's contemplated scope, including work on major segments, Hong Kong and PRC audit work, consolidation procedures, and the Coal Trading Business.
3. **Adequate resources and senior supervision:** Zhonghui proposed sufficient audit manpower (estimated audit hours involved being similar to Crowe's proposal) with involvement of the lead partner, second review partner, senior audit manager, audit manager, and supporting staff, appropriate for the Group's size, business composition, and reporting timetable.
4. **Fee difference commercially explainable:** The lower quotation was attributed to firm-specific commercial factors, internal cost structure, operating model, market strategy, and capacity utilisation - not reduced scope or lower quality. The Audit Committee also considered Zhonghui's proposed annual audit fee breakdown as reasonable:

Geographical allocations of the Annual Audit fee pursuant to the Company's businesses:

- (i) The People's Republic of China (field): approximately HK\$290,000;
- (ii) Hong Kong (field): approximately HK\$370,000; and
- (iii) Hong Kong (consolidation): approximately HK\$320,000

Business segmental allocations of the Annual Audit fee:

- (i) Ports and logistics business and coal trading business: approximately HK\$290,000; and
- (ii) Property business, securities business and financial services: approximately HK\$690,000 (Inclusive of consolidation at approximately HK\$320,000)

5. **Risk areas considered:** The Audit Committee discussed key audit areas with Zhonghui, including the Coal Trading Business, revenue recognition, consolidation, valuation, and impairment matters, and was satisfied that planned procedures addressed relevant risks.
6. **Independence and competence confirmed:** Zhonghui confirmed its independence, and the Audit Committee considered its listed company audit experience, technical competence in Hong Kong auditing/accounting standards and Listing Rules, and quality management procedures.
7. **AFRC Guide considered:** The Audit Committee took into account the AFRC Guide that audit fees should not be assessed purely on a lowest-fee basis, and audit quality depends on scope, resources, timing, competence, and senior involvement.

Conclusion

The Audit Committee concluded that Zhonghui's fee was appropriate and commensurate with the required audit work, and that the lower fee would not compromise audit quality.

Factors Underlying Fee Difference and Audit Quality Assurance

The Board and Audit Committee considered multiple factors: Zhonghui's audit plan; competence, industry knowledge, and technical expertise; independence and objectivity; market reputation; resources and quality; fee appropriateness relative to audit scope and cost control objectives; and the AFRC Guide. The Company was not aware of any material differences in audit approaches or scope between the two auditors that would affect audit quality. Fee differences among professional firms may reflect firm-specific commercial factors, including operating model, internal cost structure, market conditions, and business strategy, and do not necessarily indicate compromised scope or quality.

Assessment of Zhonghui's Independence, Competence and Capability

- (a) **Governance and leadership:** Zhonghui is a well-established Hong Kong CPA firm with over 20 years of operation and a global network of over 3,000 staff. It operates under a clear hierarchical structure with defined roles and responsibilities. The managing partner, with over 25 years of experience, oversees the System of Quality Management (SQM). The Audit Committee reviewed Zhonghui's organisational and governance structure and was satisfied with its quality management arrangements.

- (b) **Compliance and ethical requirements:** Zhonghui complies with Hong Kong Standard on Quality Management 1 and the HKICPA Code of Ethics. It conducts internal conflict checks and independence assessments before accepting engagements. The Audit Committee reviewed relevant policies and confirmed independence through enquiries, online checks, and review of Zhonghui's brochure.
- (c) **Industry knowledge and technical competence:** Zhonghui's engagement team is led by senior professionals with over 20 years of audit experience, including Big Four backgrounds. Zhonghui's team consists of engagement partner with more than 20 years of audit experience, who previously worked at one of the Big Four accounting firms serving clients from a wide range of industries, *inter alia*, property investment and management and new energy. The engagement quality control partner also has 18 years of audit experience and Big Four accounting firm background. The engagement senior manager possesses over 10 years of audit experience, including extensive experience with mainland China companies. The team includes CPAs with extensive Hong Kong listed company audit experience (including coal trading experience) and technical knowledge covering HKFRS, the Listing Rules, the Companies Ordinance, and AML/CTF requirements. The Audit Committee confirmed Zhonghui's experience in auditing over 90 listed companies and its relevant industry expertise.
- (d) **Engagement performance:** The Audit Committee reviewed Zhonghui's audit methodology and strategy, including approximately 1,730 budgeted audit hours, risk assessment approach, materiality thresholds, planned procedures, and timetable. The team will comprise at least an audit partner in-charge, a second partner as engagement quality reviewer, and approximately twelve team members. The Audit Committee confirmed the team configuration appropriately balances leadership, review, technical expertise, operational support, and time for a high-quality audit.
- (e) **Communication and interaction with the Audit Committee:** Zhonghui confirmed that a comprehensive communication policy is in place to ensure effective two-way ongoing communication on auditing matters including without limitation (i) meeting with the Company to discuss Zhonghui's competence and experience in auditing the relevant business segments, audit methodology and potential significant matters prior to its appointment as the Auditor; (ii) meeting to discuss audit scope, audit approach, risk assessment, materiality and timetable at planning stage; (iii) closing meeting to report to the Company its audit findings, significant judgements, any unresolved matters and preliminary audit opinion relating to the consolidated financial statements, to facilitate the effective discussion on auditing matters; and (iv) arranging private meeting(s) with the Audit

Committee throughout the audit process as and when appropriate, in the absence of management, to review key issues and allows Zhonghui to provide candid and confidential comments to the Audit Committee thereon.

- (f) **Monitoring process:** The Audit Committee noted that Zhonghui shall conduct an Internal Quality Review Programme on an annual basis, which assesses the compliance of HKSQM 1 covering areas such as risk assessment process, governance and leadership, ethical requirements and engagement performance. In addition, Zhonghui is subject to AFRC inspection at least once in a three-year cycle covering system of quality management and audit engagement files.

The Audit Committee conducted public searches on the websites of the relevant authorities, including obtaining and reviewing the 2024-25 AFRC's Annual Inspection Report publicly issued by the AFRC. With reference to the findings in the 2024-25 AFRC's Annual Inspection Report and to the best knowledge of the Audit Committee, the Audit Committee was not aware of any disciplinary actions concerning Zhonghui regarding matters relating to integrity, objectivity and independence.

- (g) **Basis for the reasonableness of the timetable:** The proposed timetable accounts for first-year audit procedures, including client acceptance and independence procedures, understanding the Group's business and internal control environment, assessing opening balances and comparative information, and designing risk-responsive audit procedures. The timetable covers:

- **Mid-May 2026:** Covering first year audit procedures, including client acceptance, independence checks, engagement acceptance, preliminary discussions with Management, understanding the organisational structure and business processes, and audit planning.
- **Late-May to early-June 2026:** Fieldwork, including risk assessment and procedures for revenue recognition, purchases and cost of sales, trade receivables/payables, bank and cash, investments, property interests, impairment assessment, consolidation, related party transactions, subsequent events, and specific attention to the Coal Trading Business (including contract review, transaction testing, revenue recognition, and cut-off assessment).
- **Mid to end-June 2026:** Communication of audit findings, resolution of significant issues, review of estimates and judgements, completion of outstanding procedures, and finalisation of reporting matters.

The timetable also provides for senior review and supervision throughout all stages and ongoing communication with the Audit Committee.

- (h) **Incoming Auditor's Proposed Audit Plan and Execution:** Zhonghui will perform the Annual Audit of the consolidated financial statements of the Group FY2026 in accordance with HKFRS Accounting Standards and in compliance with the Listing Rules. Zhonghui adopts a risk-based audit approach and the Annual Audit will be conducted in accordance with the methodology and phases as set below:

1. Planning

Zhonghui will assess the business risk, fraud risk and accounting risk of the Group through discussion with and enquiry of the Management and analytical review procedures. An agreed timetable for service delivery has been established.

2. Assessing risk

Zhonghui will analyse the Group's financial reports and other relevant information. Through communication and discussion with the Management, Zhonghui will assess the risks of material misstatement in the financial statements and formulate appropriate audit responses.

3. Design and development of audit procedure

Based on the results of the risk assessment, Zhonghui will design and develop tailored audit procedures for each financial cycle.

4. Execution of audit procedures

Zhonghui will execute the planned audit procedures, including substantive audit procedures on each financial cycle. Where reliance is placed on the Group's internal control systems, tests of controls will also be performed to assess their effectiveness and reliability.

5. Concluding and reporting

Zhonghui will consolidate the work performed across the audit team to ensure the delivery of a high-quality audit and will issue reports based on the audit results.

Conclusion

The Audit Committee was satisfied that Zhonghui is independent, competent, and capable of performing a high-quality audit, and that the proposed audit timetable properly accounted for first-year audit procedures, including transition, planning, risk assessment, opening balance and comparative information review, audit execution, senior review, communication with the Audit Committee, and finalisation.

ENHANCEMENT MEASURES IN AUDIT PLANNING

In order to safeguard the timely publication of future interim and annual results, the Company undertakes to adopt the following enhancement measures in audit planning:

- (i) **Enhanced pre-engagement information disclosure:** For any significant new business segment, the Management shall be required to furnish the incumbent auditor with underlying transaction records, standard form contracts, settlement documents, and supporting operational records prior to the finalisation of the annual audit fee quotation. This will enable the auditor to conduct a preliminary contractual review at the quotation stage, thereby minimising the risk of subsequent material scope adjustments.
- (ii) **Interim operational “health checks” for new businesses:** The Audit Committee will mandate a preliminary compliance and accounting review of any newly commenced material business operations before completing the fee discussion with the auditor. This early engagement will allow the auditor to identify complex features (such as complex contractual arrangements, non-standard revenue or payment structures, and other unique commercial terms that may introduce significant accounting complexities or estimation uncertainties) well before the year-end planning cycle commences.
- (iii) **Quarterly risk and complexity reporting by Management:** Management undertakes to escalate all material contractual complexities, new revenue streams, and evolving transactional structures to the Audit Committee on a quarterly basis. These reports will be shared with the auditor concurrently, ensuring that the external audit team is apprised of changing business dynamics in real-time, rather than at the year-end planning stage.
- (iv) **Early execution of audit planning with the auditor:** Management will communicate with the incumbent auditor regarding the timetable for audit planning, including early commencement of fieldwork, understanding of internal controls over new business operations, preliminary substantive testing, early identification of complex accounting treatments or estimation uncertainties arising from new business activities, and early discussion of any potential scope adjustments or fee implications arising from fieldwork findings.

The Company believes that the implementation of the above measures will enhance future discussion with the auditor regarding audit scope of new businesses, or fee negotiations.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 7 May 2026 and will remain suspended pending fulfilment of the resumption guidance.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board

Blue River Holdings Limited

MAN Wai Chuen

Company Secretary

Hong Kong, 22 September 2026

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

Executive Directors:

SUN Dixie Hui

(Chairman and Managing Director)

AU Wai June

Independent Non-Executive Directors:

YU Chung Leung

LAM John Cheung-wah

LIU Jianyi