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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 2022 AND CONTINUED SUSPENSION OF TRADING**

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 2022.

**RESULTS**  
**CONSOLIDATED INCOME STATEMENT**  
*For the year ended 31 March 2022*

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue			
Sales and services income	3	<b>10,754,475</b>	229,141
Interest income	3	<b>26,285</b>	44,796
Others	3	<b>13,891</b>	3,350
		<b>10,794,651</b>	277,287
Cost of sales		<b>(10,361,253)</b>	(155,700)
Gross profit		<b>433,398</b>	121,587
Other income	5	<b>151,114</b>	6,678
Administrative expenses		<b>(552,667)</b>	(114,492)
Distribution and selling expenses		<b>(24,898)</b>	(36,539)
Other gains and losses	6	<b>(126,846)</b>	38,756
Fair value changes of financial assets measured at fair value through profit or loss (“FVPL”)	7	<b>(1,165,274)</b>	959,445
Other expenses		—	(18,382)
Impairment loss recognised on financial assets and contract assets, net	8	<b>(123,916)</b>	(252,472)
Write-down of stock of properties	15	<b>(142,297)</b>	(640,781)
Finance costs	9	<b>(64,748)</b>	(17,609)
Gain on disposal of subsidiaries		<b>20,867</b>	140,487
Loss on winding up of subsidiaries		<b>(95)</b>	(8,695)
Fair value changes of investment properties	14	<b>(480,549)</b>	(408,285)
Share of results of associates		<b>(6,739)</b>	65,377
Share of results of joint ventures		<b>(3,460)</b>	(7,776)
Loss before taxation	10	<b>(2,086,110)</b>	(172,701)
Taxation	11	<b>280,637</b>	222,161
(Loss) profit for the year		<b>(1,805,473)</b>	49,460
(Loss) profit for the year attributable to:			
Owners of the Company		<b>(1,628,546)</b>	151,290
Non-controlling interests		<b>(176,927)</b>	(101,830)
		<b>(1,805,473)</b>	49,460
		<i>HK cents</i>	<i>HK cents</i>
(Loss) earnings per share			
Basic and diluted	12	<b>(147.5)</b>	13.7

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
***For the year ended 31 March 2022***

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss) profit for the year	<b>(1,805,473)</b>	49,460
<b>OTHER COMPREHENSIVE (EXPENSE) INCOME</b>		
<i>Item 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	<b>(143,505)</b>	(81,061)
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising from translation of foreign operations	<b>49,805</b>	133,041
Share of exchange differences of associates and joint ventures	<b>(91)</b>	11,970
Reclassification adjustment on disposal of subsidiaries	<b>(16,738)</b>	36,854
Reclassification adjustment on deemed disposal of an associate and a joint venture	<b>11,524</b>	—
Other comprehensive (expense) income for the year	<b>(99,005)</b>	100,804
Total comprehensive (expense) income for the year	<b>(1,904,478)</b>	150,264
Total comprehensive (expense) income for the year attributable to:		
Owners of the Company	<b>(1,739,081)</b>	221,035
Non-controlling interests	<b>(165,397)</b>	(70,771)
	<b>(1,904,478)</b>	150,264

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31 March 2022**

	<i>Notes</i>	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>308,604</b>	318,147
Right-of-use assets		<b>123,246</b>	66,623
Investment properties	<i>14</i>	<b>436,576</b>	784,733
Project under development		<b>185,150</b>	177,919
Goodwill		<b>5,523</b>	—
Other intangible assets		<b>156,850</b>	2,811
Interests in associates		<b>644,351</b>	564,898
Interests in joint ventures		<b>18,816</b>	108,837
Financial assets measured at FVOCI		<b>248,248</b>	239,905
Loan receivables	<i>16</i>	—	15,200
		<b>2,127,364</b>	2,279,073
<b>CURRENT ASSETS</b>			
Stock of properties	<i>15</i>	<b>771,058</b>	909,828
Inventories of finished goods		<b>1,302</b>	1,380
Loan receivables	<i>16</i>	<b>196,626</b>	56,520
Amounts due from associates		<b>5,820</b>	—
Amounts due from joint ventures		<b>4,289</b>	1,196
Amounts due from joint operations/other partners of joint operations		<b>218,269</b>	—
Amounts due from former subsidiaries in liquidation	<i>17</i>	<b>197,778</b>	1,130,151
Trade and other receivables	<i>18</i>	<b>2,400,395</b>	451,312
Contract assets		<b>4,130,827</b>	—
Financial assets measured at FVPL		—	1,561,702
Taxation recoverable		<b>4,553</b>	—
Pledged bank deposits and restricted cash		<b>45,423</b>	7,012
Short-term bank deposits		<b>55,394</b>	10,901
Bank balances and cash		<b>887,970</b>	171,370
		<b>8,919,704</b>	4,301,372
Assets classified as held for sale	<i>21</i>	<b>79,411</b>	—
		<b>8,999,115</b>	4,301,372

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*At 31 March 2022*

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>19</i>	<b>5,431,410</b>	149,962
Contract liabilities		<b>340,521</b>	637
Lease liabilities		<b>36,910</b>	6,772
Amount due to a joint venture		<b>60</b>	—
Amounts due to joint operations/other partners of joint operations		<b>97,544</b>	—
Amounts due to former subsidiaries in liquidation	<i>17</i>	<b>18,857</b>	1,130,151
Amounts due to non-controlling shareholders		<b>107,413</b>	103,565
Taxation payable		<b>29,479</b>	3,505
Bank and other borrowings		<b>1,438,846</b>	229,349
		<b>7,501,040</b>	1,623,941
Liabilities associated with assets classified as held for sale	<i>21</i>	<b>9,089</b>	—
		<b>7,510,129</b>	1,623,941
<b>NET CURRENT ASSETS</b>			
		<b>1,488,986</b>	2,677,431
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>3,616,350</b>	4,956,504
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings		<b>221,847</b>	171,361
Lease liabilities		<b>46,679</b>	12,476
Deferred tax liabilities		<b>314,596</b>	539,861
Obligations in excess of interests in associates		<b>2,066</b>	—
		<b>585,188</b>	723,698
<b>NET ASSETS</b>			
		<b>3,031,162</b>	4,232,806
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>110,392</b>	110,392
Reserves		<b>2,049,421</b>	3,788,502
Equity attributable to owners of the Company		<b>2,159,813</b>	3,898,894
Non-controlling interests		<b>871,349</b>	333,912
<b>TOTAL EQUITY</b>			
		<b>3,031,162</b>	4,232,806

# 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*, providing comprehensive engineering and property-related services through Paul Y. Engineering Group Limited (“**Paul Y. Engineering**”), land and property development and investment in the People’s Republic of China (the “**PRC**”), development and operation of ports, infrastructure, gas distribution and logistics facilities in the PRC, as well as securities trading and investment, and provision of financing related services.

## 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 HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2
Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

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 is analysed as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Sales and services income:		
Income from construction contracts	<b>10,629,768</b>	—
Income from property development management services	<b>19,502</b>	—
Income from port related services	<b>2,230</b>	21,646
Sale of LPG and CNG products	<b>102,975</b>	88,176
Sale of properties	—	119,319
	<b>10,754,475</b>	229,141
Interest income:		
Interest income from loan receivables	<b>4,325</b>	21,160
Interest income from financial assets measured at FVPL		
- investments in debt instruments held for trading	<b>14,104</b>	23,636
- investments in convertible bonds	<b>7,856</b>	—
	<b>26,285</b>	44,796
Others:		
Property rental income	<b>11,566</b>	982
Dividend income from financial assets measured at FVPL		
- investments in equity instruments held for trading	<b>2,325</b>	2,368
	<b>13,891</b>	3,350
	<b>10,794,651</b>	277,287

Revenue from contracts with customers includes (i) income from construction contracts, property development management services and port related services that are recognised over time and (ii) revenue from sale of properties and 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.

The management contracting and property development management businesses of Paul Y. Engineering, which became a subsidiary of the Group on 1 June 2021, were accounted in the "Engineering" segment. In preparation of the consolidated financial statements, the segment information for the year ended 31 March 2021 has been restated to conform with the current year's presentation.

The operating and reportable segments for the current year are as follows:

Engineering	- Building construction, civil engineering, property development management, project management and facilities management services
Ports and logistics	- Ports development, operation of ports, LPG, CNG and liquefied natural gas ("LNG") distribution and logistics businesses
Property	- Development, investment, sale and leasing of real estate properties, developed land and land under development and projects under development
Securities	- Investment and trading of securities
Financial services	- Provision of loan financing, financial related services and cash management

The Company assesses the performance of the operating segments based on a measure of earnings or loss before interest expense and tax ("EBIT" or "LBIT") and earnings or loss before interest expense, tax, depreciation and amortisation ("EBITDA" or "LBITDA").



#### 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 2022

	Engineering HK\$'000	Ports and logistics HK\$'000	Property HK\$'000	Securities HK\$'000	Financial services HK\$'000	Segment total and consolidated HK\$'000
Revenue	10,649,270	105,205	11,566	16,429	12,181	10,794,651
EBITDA (LBITDA)*	178,523	21,754	(847,273)	(1,153,066)	(26,491)	(1,826,553)
Depreciation and amortisation**	(106,976)	(9,255)	(8,426)	—	—	(124,657)
Segment results – EBIT (LBIT)	71,547	12,499	(855,699)	(1,153,066)	(26,491)	(1,951,210)
Corporate and other expenses***						(131,565)
Net exchange gain						9,223
Distributions from former subsidiaries in liquidation						141,190
Impairment loss recognised on amounts due from former subsidiaries in liquidation						(89,000)
Finance costs						(64,748)
Loss before taxation						(2,086,110)
Taxation						280,637
Loss for the year						(1,805,473)

For the year ended 31 March 2021

	Engineering HK\$'000	Ports and logistics HK\$'000	Property HK\$'000	Securities HK\$'000	Financial services HK\$'000	Segment total and consolidated HK\$'000
Revenue	—	109,822	120,301	26,004	21,160	277,287
EBITDA (LBITDA)*	67,449	168,979	(1,041,401)	980,871	(232,664)	(56,766)
Depreciation and amortisation**	—	(27,946)	(3,267)	(347)	(347)	(31,907)
Segment results – EBIT (LBIT)	67,449	141,033	(1,044,668)	980,524	(233,011)	(88,673)
Corporate and other expenses***						(114,744)
Net exchange gain						48,325
Finance costs						(17,609)
Loss before taxation						(172,701)
Taxation						222,161
Profit for the year						49,460

\* Gain on remeasurement of interest in Paul Y. Engineering to fair value of approximately HK\$52,467,000 (2021: Nil) has been recognised in the engineering segment for the year ended 31 March 2022.

Gain on disposal of subsidiaries of approximately HK\$2,587,000 (2021: HK\$140,487,000) has been recognised in the ports and logistics segment for the year ended 31 March 2022.

\*\* Includes depreciation of property, plant and equipment and right-of-use assets and amortisation of other intangible assets.

\*\*\* Represents mainly unallocated administrative expenses and includes unallocated depreciation of approximately HK\$10,508,000 (2021: HK\$9,180,000).

#### 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 2022

	Engineering HK\$'000	Ports and logistics HK\$'000	Property HK\$'000	Securities HK\$'000	Financial services HK\$'000	Segment total and consolidated HK\$'000
<b>ASSETS</b>						
Segment assets	8,125,842	296,366	1,653,157	128,800	678,569	10,882,734
Unallocated assets*						243,745
Consolidated total assets						<u>11,126,479</u>
<b>LIABILITIES</b>						
Segment liabilities	7,006,409	38,088	873,233	—	150,885	8,068,615
Unallocated liabilities*						26,702
Consolidated total liabilities						<u>8,095,317</u>

At 31 March 2021

	Engineering HK\$'000	Ports and logistics HK\$'000	Property HK\$'000	Securities HK\$'000	Financial services HK\$'000	Segment total and consolidated HK\$'000
<b>ASSETS</b>						
Segment assets	366,965	501,189	2,426,286	1,793,521	313,883	5,401,844
Unallocated assets*						1,178,601
Consolidated total assets						<u>6,580,445</u>
<b>LIABILITIES</b>						
Segment liabilities	—	66,651	984,953	103,374	41,726	1,196,704
Unallocated liabilities*						1,150,935
Consolidated total liabilities						<u>2,347,639</u>

\* As at 31 March 2022, unallocated assets include amounts due from former subsidiaries in liquidation of approximately HK\$197,778,000 (2021: HK\$1,130,151,000), and the unallocated liabilities include amounts due to former subsidiaries in liquidation of approximately HK\$18,857,000 (2021: HK\$1,130,151,000).

Segment assets and liabilities comprise assets and liabilities of the operating subsidiaries, 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 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.

#### 4. SEGMENT INFORMATION – CONTINUED

##### Geographical information

The Group's operations are mainly located in Hong Kong (place of domicile), Macau and the PRC (excluding Hong Kong and Macau).

The following is an analysis of the Group's revenue by geographical market based on geographical location where construction works or other goods/services are provided:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong	<b>10,045,773</b>	47,164
Macau	<b>618,092</b>	—
The PRC	<b>119,805</b>	230,123
Others	<b>10,981</b>	—
	<hr/> <b>10,794,651</b> <hr/>	<hr/> 277,287 <hr/>

#### 5. OTHER INCOME

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Bank and other interest income	<b>2,059</b>	3,417
Rental income from short-term leasing of stock of properties	<b>1,611</b>	1,325
Dividend income from financial assets measured at FVOCI	—	1,180
Distributions from former subsidiaries in liquidation ( <i>Note 17</i> )	<b>141,190</b>	—
Sundry income	<b>6,254</b>	756
	<hr/> <b>151,114</b> <hr/>	<hr/> 6,678 <hr/>

## 6. OTHER GAINS AND LOSSES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Net exchange gain	9,223	48,325
Gain on deemed disposal of interests in an associate and a joint venture		
- Gain on remeasurement of interest in an associate to fair value ( <i>Note 20</i> )	52,467	—
- Release of exchange deficit ( <i>Note 20</i> )	(11,524)	—
	40,943	—
Gain (loss) on disposal of property, plant and equipment	9,789	(407)
Impairment loss on property, plant and equipment	(183,497)	(1,280)
Impairment loss on right-of-use assets	(3,391)	(7,825)
Others	87	(57)
	(126,846)	38,756
	(126,846)	38,756

## 7. FAIR VALUE CHANGES OF FINANCIAL ASSETS MEASURED AT FVPL

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss) gain on changes in fair value of investments in debt instruments held for trading	(120,108)	26,458
(Loss) gain on changes in fair value of investments in equity instruments held for trading	(1,045,166)	932,987
	(1,165,274)	959,445
	(1,165,274)	959,445

## 8. IMPAIRMENT LOSS RECOGNISED ON FINANCIAL ASSETS AND CONTRACT ASSETS, NET

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Impairment loss reversed (recognised) on loan receivables	1,310	(130,399)
Impairment loss recognised on contract assets and trade and other receivables (including interest receivables)	(23,047)	(48,621)
Impairment loss recognised on amounts due from associates	(13,179)	(73,452)
Impairment loss recognised on amounts due from former subsidiaries in liquidation	(89,000)	—
	(123,916)	(252,472)
	(123,916)	(252,472)

## 9. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Borrowing costs on:		
Bank borrowings	51,124	26,985
Other borrowings	10,082	549
Imputed interest expense on lease liabilities	3,542	961
	<hr/> 64,748	<hr/> 28,495
Less: Amount capitalised in respect of construction in progress (included in property, plant and equipment)	—	(10,189)
Amount capitalised in respect of properties under development for sale (included in stock of properties)	—	(697)
	<hr/> 64,748	<hr/> 17,609
	<hr/> <hr/>	<hr/> <hr/>

## 10. LOSS BEFORE TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss before taxation has been arrived at after charging:		
Amortisation of other intangible assets	44,098	92
Cost of inventories recognised as an expense	75,538	59,334
Cost of stock of properties sold	—	84,117
Depreciation of property, plant and equipment	49,017	29,284
Depreciation of right-of-use assets	42,050	11,711
	<hr/> 44,098	<hr/> 92
	<hr/> <hr/>	<hr/> <hr/>

## 11. TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Taxation comprises tax charge (credit) below:		
Current tax:		
Hong Kong	3,282	—
The PRC	506	33,019
Macau	274	—
	<hr/> 4,062	<hr/> 33,019
Under(over)provision in prior years:		
Hong Kong	(2,434)	—
The PRC	128	(205)
Macau	(259)	—
	<hr/> (2,565)	<hr/> (205)
Deferred taxation:		
Land Appreciation Tax (“LAT”)	(88,614)	(194,778)
Others	(193,520)	(60,197)
	<hr/> (282,134)	<hr/> (254,975)
	<hr/> <b>(280,637)</b>	<hr/> <b>(222,161)</b>

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. Macau complementary tax is levied at progressive rates ranging from 3% to 12% on the taxable income.

For the year ended 31 March 2021, the taxation arising in the PRC included an income tax charge of approximately HK\$29,811,000 (2022: Nil), which represented the PRC income tax charged on the gain on disposal of subsidiaries. The capital gain derived from equity rights transfer by a non-resident enterprise, representing the difference between the consideration and the cost of equity rights, is subject to a tax rate of 10%.

LAT is levied on properties developed by the Group for sale in the PRC, at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including the cost of land and relevant property development expenditures.

## 12. (LOSS) EARNINGS PER SHARE

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

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss) earnings for the year attributable to owners of the Company for the purpose of calculating basic and diluted (loss) earnings per share	<b>(1,628,546)</b>	151,290
	<b>2022</b> <i>Number of shares</i>	2021 <i>Number of shares</i>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share	<b>1,103,916,114</b>	1,103,916,114

Diluted (loss) earnings per share is equal to the basic (loss) earnings 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 2022 (2021: Nil).

## 14. INVESTMENT PROPERTIES

	Leasehold properties in the PRC <i>HK\$'000</i>	Developed land <i>HK\$'000</i> <i>(note a)</i>	Land under development <i>HK\$'000</i> <i>(note b)</i>	Total <i>HK\$'000</i>
FAIR VALUE				
At 31 March 2021	54,556	366,864	363,313	784,733
Exchange realignment	7,997	14,105	11,249	33,351
Additions	—	—	2,420	2,420
Deemed acquisition of subsidiaries <i>(Note 20)</i>	195,266	—	—	195,266
Disposals of subsidiaries	(28,325)	—	—	(28,325)
Reclassified as assets held for sales <i>(Note 21)</i>	(70,320)	—	—	(70,320)
Net decrease in fair value recognised in the consolidated income statement	(159,174)	(59,417)	(261,958)	(480,549)
At 31 March 2022	—	321,552	115,024	436,576

*notes:*

- (a) In prior years, the Group completed the reclamation of certain land area and obtained the certificate of completion of land reclamation (the “**Certificate**”) issued by qualified project engineering and construction manager in respect of certain land area (the “**Formed Land**”) in Jiangsu Province, the PRC. Upon obtaining the certificate, such Formed Land held for capital appreciation had been recognised as developed land and classified and accounted for as investment properties.
- (b) In connection with the reclamation of certain land area in Jiangsu Province, the PRC, the Group commenced, but not yet completed, the land leveling process (mainly representing the sand filling work to achieve leveling of the area) (the “**Land Being Formed**”). Upon the commencement of land leveling process, the Land Being Formed that held for rentals and/or capital appreciation had been recognised as land under development and classified and accounted for as investment properties.

The fair values of the Group's investment properties at 31 March 2022 and 31 March 2021 have been arrived at on the basis of valuations carried out as at those dates by independent qualified professional valuers not connected with the Group. The management works closely with the external qualified professional valuers to establish the appropriate valuation and inputs for fair value measurement and reports to the board of directors from period to period.

In determining the fair value of properties in the PRC, the highest and best use of the properties is their current use. The comparison method is adopted under which comparison based on information of recent transacted prices of comparable properties is made. Comparable properties of similar characteristics and location are analysed in order to arrive at a fair comparison of capital values.



## 14. INVESTMENT PROPERTIES – CONTINUED

In determining the fair value of Formed Land, the highest and best use of the Formed Land is for tourist and resort use, which correlates to the zoning of the area for tourist resort by the government. The comparison method is adopted under which comparison based on information of recent transacted prices of comparable lands is made. Comparable lands of similar characteristics and location are analysed in order to arrive at a fair comparison of capital values. Certain costs, including government levies and all necessary fees and expenses associated with the change of the Formed Land for tourist and resort use to be charged by the government, which are the best estimate based on the latest information available to the management of the Company, have been considered in arriving the fair value of the Formed Land.

In determining the fair value of Land Being Formed, the same highest and best use and the same comparison method are adopted and valuation has been considered for further costs to be expended for the development of the Land Being Formed into Formed Land. Further costs for completing the land leveling process and other development works as at 31 March 2022 are estimated to be approximately HK\$616 million (2021: HK\$480 million).

Key inputs used in valuing the investment properties including the market price of comparable lands with an average comparable land price of RMB431 (2021: RMB509) per square metre. The key inputs have taken into account of the difference in the nature, location and condition of the land. The increase in the market price would result in an increase in the fair value of the investment properties, and vice versa.

One of the key unobservable inputs is the 20% of saleable land discount on the comparable lands applied by the valuer in valuing the Formed Land and Land Being Formed. A slight change in the saleable land discount used would result in a significant change in fair value of the Formed Land and Land Being Formed, while a slight change in other unobservable inputs in valuing the leasehold properties would have no significant effect to their fair value.

For the Formed Land, the Group may have to obtain certain appropriate certificates for the disposal. Based on past experience, it is considered that there is no material impediment to obtain these certificates for the Group.

## 15. STOCK OF PROPERTIES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Properties under development for sale ( <i>note a</i> )	531,842	560,159
Completed properties held for sale ( <i>note b</i> )	239,216	349,669
	<u>771,058</u>	<u>909,828</u>

*notes:*

- (a) Properties under development for sale are mainly situated in Jiangsu Province, the PRC. They comprise (1) Land Being Formed which is being developed for future sale and (2) Formed Land which is also developed for future sale in the ordinary course of business.

At 31 March 2022, properties under development for sale amounting to approximately HK\$283,129,000 (2021: HK\$315,727,000) are carried at net realisable value. Total write-down of properties under development for sale of approximately HK\$51,627,000 (2021: HK\$500,748,000) has been recognised during the year.

- (b) Completed properties held for sale are situated in Jiangsu Province, the PRC. At 31 March 2022, completed properties held for sale amounting to approximately HK\$238,532,000 (2021: HK\$349,012,000) are carried at net realisable value. Total write-down of completed properties held for sale of approximately HK\$90,670,000 (2021: HK\$140,033,000) has been recognised during the year.

The write-down of stock of properties in aggregate of approximately HK\$142,297,000 (2021: HK\$640,781,000) recognised during the year are mainly attributable to the further decline in net realisable value of the properties as impacted by the uncertainty on the macroeconomic conditions and the government's tightening measures to the PRC property market.

The net realisable values of the properties under development for sale have been arrived on the basis of valuation carried out by independent qualified professional valuers not connected with the Group. In determining the net realisable values, the expected proceeds from the sales of properties are deducted by the anticipated costs, including government levies, construction cost and all necessary expenses associated with the completion of property development and applicable selling expenses, which have also taken into account the discount factor of the lengthened sales and development cycle under current regulatory and economic circumstances.

The net realisable value for the completed properties held for sale represents the sales proceeds estimated based on the comparable properties of similar characteristics and location under prevailing market condition, less applicable selling expenses.

## 16. LOAN RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
The amounts, net of allowance, include:		
Fixed-rate loan receivables ( <i>note a</i> )	19,400	71,720
Other loan receivables ( <i>note b</i> )	177,226	—
	<b>196,626</b>	<b>71,720</b>
Analysed as:		
Current portion	196,626	56,520
Non-current portion	—	15,200
	<b>196,626</b>	<b>71,720</b>

*notes:*

- (a) The gross amount of loan receivable of approximately HK\$20,000,000 (2021: HK\$189,800,000), before netting off cumulative loss allowance of approximately HK\$600,000 (2021: HK\$118,080,000), is unsecured and bears fixed interest rates of 5% (2021: 10% to 12.5%) per annum.
- (b) Other loan receivables represent advances made by Paul Y. Engineering to a subsidiary of its former controlling shareholder for its trade balance settlement which is covered by the retention right over the building constructed under the construction contracts. The loan receivables have been consolidated into the Group upon the acquisition of Paul Y. Engineering as detailed in Note 20.

## 17. AMOUNTS DUE FROM/TO FORMER SUBSIDIARIES IN LIQUIDATION

The amounts due from/to former subsidiaries in liquidation were classified as current assets and current liabilities respectively as the Group does not have a legally enforceable right to set off these amounts in accordance with section 35 of the Hong Kong Bankruptcy Ordinance.

During the year, the liquidator made cash distribution of approximately HK\$98 million and dividend in specie of approximately HK\$1,173 million to the Group. In consideration of the Group's acceptance of the dividend in specie, the liquidators assigned approximately HK\$1,173 million due to former subsidiaries in liquidation by the Company's subsidiaries (including the amounts due to former subsidiaries in liquidation by Paul Y. Engineering acquired upon deemed acquisition) to the Group to offset the Group's entitlement under the dividend in specie. As the total distributions from the liquidators of approximately HK\$1,271 million exceeds the amounts due from former subsidiaries in liquidation of approximately HK\$1,130 million by approximately HK\$141 million, such amounts are recognised as other income of the Group for the year ended 31 March 2022.

## 18. TRADE AND OTHER RECEIVABLES

Included in trade and other debtors, deposits and prepayments are trade debtors of about HK\$1,407,338,000 (2021: HK\$66,924,000). As at 31 March 2022, trade receivables mainly arise from management contracting business. The Group's credit terms for customers are normally ranging from 60 to 90 days. The Group's credit terms for its management contracting business 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:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 90 days	<b>331,862</b>	10,855
More than 90 days and within 180 days	<b>10,436</b>	7,205
More than 180 days	<b>1,065,040</b>	48,864
	<b>1,407,338</b>	66,924

Included in the trade receivables aged more than 180 days, there are amounts of approximately HK\$1,017,986,000 (2021: Nil) due from subsidiaries of Paul Y. Engineering's former controlling shareholder to Paul Y. Engineering which are covered by the retention right over the building constructed under the construction contracts. The trade receivables have been consolidated into the Group upon the deemed acquisition of Paul Y. Engineering as detailed in Note 20.

## 19. TRADE AND OTHER PAYABLES

Included in trade and other creditors and accrued expenses are trade creditors of about HK\$726,635,000 (2021: HK\$20,313,000) and their ageing analysis presented based on the invoice date at the end of the reporting period is as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 90 days	<b>609,398</b>	18,139
More than 90 days and within 180 days	<b>91,801</b>	—
More than 180 days	<b>25,436</b>	2,174
	<b>726,635</b>	20,313

## 20. DEEMED ACQUISITION OF SUBSIDIARIES

On 1 June 2021, the Group has received an irrevocable and unconditional assignment of the voting rights of a block of approximately 10% shareholding (the “**Voting Rights**”) in Paul Y. Engineering from an independent third party at nil consideration. As at 31 March 2021 and immediately before the acceptance of Voting Rights, the Group held approximately 48.23% of the entire issued shares of Paul Y. Engineering and Paul Y. Engineering was accounted for as interest in associates of the Group. Upon accepting the assignment of the Voting Rights, the Group is entitled to exercise a total of approximately 58.23% voting rights at any general meetings of Paul Y. Engineering’s shareholders and thus obtained control of Paul Y. Engineering without transferring cash consideration. Accordingly, Paul Y. Engineering became a non-wholly owned subsidiary of the Group. The acquisition method of accounting was adopted and the financial statements of Paul Y. Engineering and its subsidiaries were consolidated into the consolidated financial statements of the Group starting from 1 June 2021.

In addition, as at 31 March 2021, 浙江美聯置業有限公司 (“浙江美聯”) was jointly held by the Group and Paul Y. Engineering, and 浙江美聯 was accounted for as joint venture in the book of both the Group and Paul Y. Engineering. Upon accepting the assignment of the Voting Rights and obtaining the control of Paul Y. Engineering, the Group also obtained control of 浙江美聯 without transferring cash consideration. Accordingly, 浙江美聯 became a non-wholly owned subsidiary of the Group and was consolidated into the Group in adopting the acquisition method of accounting starting from 1 June 2021.

Paul Y. Engineering, a limited company incorporated in the British Virgin Islands, is principally engaged in building construction, civil engineering, property development management, project management, facilities management services and investment in properties. 浙江美聯, a wholly-foreign-owned enterprise incorporated in the PRC, is principally engaged in properties investment which holds an office building in the PRC for rental through its wholly-owned subsidiary.

The deemed acquisition has been accounted for as a business combination. As the business combination is achieved without transfer of consideration from the Group, the consideration transferred is deemed as the acquisition date fair value of the Group’s interest in Paul Y. Engineering and 浙江美聯. The Group remeasured its 48.23% equity interest in Paul Y. Engineering to fair value at the deemed acquisition date and recognised a gain of approximately HK\$52,467,000 (*Note 6*) in profit or loss for the year ended 31 March 2022, while the fair value of the 50% equity interest in 浙江美聯 was approximate to its carrying value at the deemed acquisition date. The fair value of 48.23% equity interest in Paul Y. Engineering of approximately HK\$419,000,000 at the deemed acquisition date have been arrived on the basis of income approach carried out by an independent qualified professional valuer not connected with the Group, using cash flow projections prepared based on financial forecast covering a 5-year period and adjusted for the factors of marketability and control premium. The fair value of the 50% equity interest in 浙江美聯 is determined on assets-based approach. In addition, the cumulative share of exchange deficit of Paul Y. Engineering and 浙江美聯 in aggregate of approximately HK\$11,524,000 (*Note 6*) were released and recognised in profit or loss during the year. No transaction cost was incurred for the deemed acquisition.

The Group has elected to measure the non-controlling interests in Paul Y. Engineering at the non-controlling interests’ proportionate share of Paul Y. Engineering’s identifiable net assets.

## 20. DEEMED ACQUISITION OF SUBSIDIARIES – CONTINUED

The fair values of the identifiable assets and liabilities of Paul Y. Engineering and 浙江美聯 as at the date of deemed acquisition were as follows:

	<i>Notes</i>	<b>2022</b> <b>HK\$'000</b>
Net assets acquired:		
Property, plant and equipment		144,709
Right-of-use assets		75,400
Investment properties	14	195,266
Other intangible assets ( <i>note</i> )		199,035
Interests in joint ventures		812
Loan receivables		177,226
Amounts due from associates		18,642
Amounts due from joint ventures		4,714
Amounts due from joint operations/other partners of joint operations		89,269
Trade and other receivables		2,342,614
Contract assets		3,215,436
Taxation recoverable		4,957
Pledged bank deposits and restricted cash		30,670
Short-term bank deposits		206,622
Bank balances and cash		500,504
Trade and other payables		(3,973,986)
Contract liabilities		(487,561)
Amounts due to a joint venture		(60)
Amounts due to joint operations/other partners of joint operations		(67,237)
Amounts due to former subsidiaries in liquidation		(86,085)
Taxation payable		(26,525)
Bank borrowings		(1,480,675)
Lease liabilities		(79,869)
Deferred tax liabilities		(48,052)
Obligations in excess of interests in associates		(9,251)
		<hr/>
Total identifiable net assets at fair value		946,575
Less: non-controlling interests		(443,826)
Less: fair value of 48.23% equity interest in Paul Y. Engineering previously held		(419,000)
Less: fair value of 50% equity interest in 浙江美聯 previously held		(89,272)
Goodwill on acquisition		5,523
		<hr/>
Cash consideration paid		—
		<hr/>
Net cash inflows, represented by short-term bank deposits and bank balances and cash acquired		707,126
		<hr/>

*note:* The other intangible assets acquired mainly attributable to the brand name and project backlogs of Paul Y. Engineering with a fair value of HK\$93,000,000 and HK\$92,000,000 respectively on the acquisition date. The fair value of brand name is determined based on income approach, using cash flow projections prepared based on financial forecast covering a 5-year period. The fair value of project backlogs is determined based on the terms of existing contracts and historical project costing data, discounted to adjust the time value of money.

## 20. DEEMED ACQUISITION OF SUBSIDIARIES – CONTINUED

In preparing the interim financial statements for the six months ended 30 September 2021, the accounting for business combination of Paul Y. Engineering has not been completed pending for the finalisation of valuation by the independent professional valuer and the fair values of the identifiable assets and liabilities of Paul Y. Engineering and 浙江美聯 as at the date of deemed acquisition were determined on a provisional basis. In preparing the consolidated financial statements for the year ended 31 March 2022, the Group has obtained all the necessary information that existed as at the date of the deemed acquisition and the independent professional valuer has completed the valuation of fair value of the identifiable assets and liabilities of Paul Y. Engineering, in order to finalise its accounting for the business combination and made measurement period adjustments to reflect the facts and circumstances in existence as at the date of the deemed acquisition. Based on the valuation report issued by the valuer, the fair value of the 48.23% equity interest in Paul Y. Engineering has been adjusted from HK\$578,760,000 to HK\$419,000,000. The following table summarises the measurement period adjustments on the financial items included in the consolidated financial statements for the year ended 31 March 2022:

	Provisional amount stated in the interim financial statements <i>HK\$'000</i>	Measurement period adjustments <i>HK\$'000</i>	Final amount <i>HK\$'000</i>
Other intangible assets			
Goodwill	97,626	(92,103)	5,523
Brand name	270,000	(177,000)	93,000
Project backlogs	83,000	9,000	92,000
Deferred tax liabilities	75,772	(27,720)	48,052
Non-controlling interests	516,449	(72,623)	443,826
Gain on remeasurement of interest in an associate to fair value	212,227	(159,760)	52,467

## 21. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

In March 2022, the Group decided to realise its investment in Pioneer Technology Building in Hangzhou, the PRC, through disposal of the entire equity interest of the building's investment holding company Great Decision Limited ("**Great Decision**") and its subsidiaries (collectively the "**Disposal Group**") and negotiation with several interested parties had been taken place. Great Decision is an indirect wholly-owned subsidiary of the Company. The assets and liabilities attributable to the Disposal Group, which are expected to be sold within twelve months, have been reclassified as a disposal group held for sale and are presented separately in the consolidated statement of financial position as follows:

	<b>2022</b> <b>HK\$'000</b>
Property, plant and equipment	773
Right-of-use assets	2,813
Investment properties	70,320
Trade and other receivables	479
Bank balances and cash	5,026
	<hr/>
Total assets classified as held for sale	79,411
	<hr/>
Trade and other payables	6,354
Lease liabilities	2,458
Taxation payable	277
	<hr/>
Total liabilities associated with assets classified as held for sale	9,089
	<hr/>

## 22. EVENTS AFTER THE REPORTING PERIOD

On 10 May 2022, the Group entered into a conditional agreement with Zhongjian Huaxia Group (HK) Limited for the disposal of its entire equity interests in Great Decision at an original purchase price of HK\$72 million. The total consideration of the disposal is equivalent to the original purchase price adjusted by the net assets value (excluding the carrying value of Pioneer Technology Building and all amounts owing by Great Decision to the Group) of Great Decision at the date of completion. The disposal has not been completed up to the date of this announcement.



## FINAL DIVIDEND

The Board of the Company has resolved not to recommend payment of a final dividend for the year ended 31 March 2022 (2021: Nil).

## CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed during the period from Friday, 9 September 2022 to Thursday, 15 September 2022, 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 2022 Annual General Meeting (the “**2022 AGM**”) to be held on Thursday, 15 September 2022. In order to be eligible to attend and vote at the 2022 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, 8 September 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF FINANCIAL PERFORMANCE AND POSITION

For the year ended 31 March 2022, the Group recorded a consolidated revenue of approximately HK\$10,795 million (2021: HK\$277 million) which was mainly attributable to the consolidation of the result of Paul Y. Engineering Group Limited (“**Paul Y. Engineering**”) after the Group obtained control of Paul Y. Engineering on 1 June 2021. Accordingly, the Group's gross profit increased by 256% from last year to approximately HK\$433 million (2021: HK\$122 million), which represented a gross margin of 4% (2021: 44%) of the consolidated revenue, reflecting the lower gross margin of the engineering business.

During the year, the Group recorded a loss before taxation of approximately HK\$2,086 million (2021: HK\$173 million), which was composed of:

- (i) net gain of approximately HK\$72 million (2021: HK\$67 million) in engineering segment;
- (ii) net gain of approximately HK\$12 million (2021: HK\$141 million) in ports and logistics segment;
- (iii) net loss of approximately HK\$856 million (2021: HK\$1,045 million) in property segment;
- (iv) net loss of approximately HK\$1,153 million (2021: gain of HK\$981 million) in securities segment;
- (v) net loss of approximately HK\$26 million (2021: HK\$233 million) in financial services segment;
- (vi) net corporate and other expenses of approximately HK\$131 million (2021: HK\$114 million);
- (vii) net exchange gain of approximately HK\$9 million (2021: HK\$48 million);
- (viii) other income from the distribution from former subsidiaries in liquidation of approximately HK\$141 million (2021: Nil);
- (ix) impairment loss recognised on amounts due from former fellow subsidiaries in liquidation of approximately HK\$89 million (2021: Nil); and
- (x) finance costs of approximately HK\$65 million (2021: HK\$18 million).

After taking into account the tax credit of approximately HK\$281 million (2021: HK\$222 million), the Group recorded loss for the year of approximately HK\$1,805 million (2021: profit of HK\$49 million).

Net loss for the year attributable to the owners of the Company was approximately HK\$1,629 million (2021: profit of HK\$151 million) and basic loss per share was approximately HK147.5 cents (2021: earnings per share of HK13.7 cents). The net loss was mainly attributable to (a) loss on changes in fair value of investments in debt and equity instruments held for trading of approximately HK\$1,062 million (2021: gain of approximately HK\$856 million), after netting off relevant deferred tax credit of approximately HK\$103 million (2021: deferred tax charge of HK\$103 million); (b) loss on fair value changes of investment properties of approximately HK\$278 million (2021: HK\$173 million), after netting off relevant deferred tax credit of approximately HK\$158 million (2021: HK\$184 million) and share of loss by non-controlling interest of approximately HK\$45 million (2021: HK\$51 million); (c) impairment loss on financial assets and contract assets of approximately HK\$118 million (2021: HK\$252 million), after netting off share of loss by non-controlling interest of approximately HK\$6 million (2021: Nil); (d) write-down of stock of properties of approximately HK\$108 million (2021: HK\$421 million) after netting off relevant deferred tax credit of approximately HK\$15 million (2021: HK\$168 million) and share of loss by non-controlling interest of approximately HK\$19 million (2021: HK\$52 million); and (e) impairment loss on property, plant and equipment of approximately HK\$92 million (2021: HK\$1 million), after netting off share of loss by non-controlling interest of approximately HK\$91 million (2021: Nil).

When compared with the Group's financial position as at 31 March 2021, total assets increased by 69% to approximately HK\$11,126 million (2021: HK\$6,580 million), as a result of the consolidation of the financial position of Paul Y. Engineering during the year. As at 31 March 2022, net current assets amounted to approximately HK\$1,489 million (2021: HK\$2,677 million), whereas current ratio deriving from the ratio of current assets to current liabilities decreased to 1.20 times (2021: 2.65 times). After taking into account (a) the net loss of approximately HK\$1,629 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\$143 million recognised in the investment revaluation reserve; (c) the Renminbi exchange surplus of approximately HK\$38 million arising from translation of foreign operations; and (d) the reclassification of exchange surplus to profit or loss upon disposals of subsidiaries, an associate and a joint venture of approximately HK\$5 million, equity attributable to owners of the Company decreased by 45% to approximately HK\$2,160 million (2021: HK\$3,899 million), representing HK\$1.96 (2021: HK\$3.53) per share as at 31 March 2022.

## **REVIEW OF OPERATIONS AND BUSINESS DEVELOPMENT**

### **Paul Y. Engineering (48.23% owned with 58.23% voting rights)**

Upon the acceptance of the approximately 10% voting rights in Paul Y. Engineering on 1 June 2021, Paul Y. Engineering became a subsidiary of the Group and contributed approximately HK\$10,649 million (2021: Nil) and HK\$72 million (2021: Nil) to the segment revenue and results respectively for the year, including a gain on remeasurement of the Group's 48.23% equity interest in Paul Y. Engineering to fair value of approximately HK\$52 million (2021: Nil). Prior to 1 June 2021, Paul Y. Engineering was accounted for as an associate of the Group, of which the Group's share of Paul Y. Engineering's profit as an associate was insignificant for the two months ended 31 May 2021 (year ended 31 March 2021: HK\$67 million).

Paul Y. Engineering Group Limited 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.

As the COVID-19 pandemic continues to evolve, it continues to disrupt the Hong Kong economy. As a consequence, Paul Y. Engineering has experienced a number of challenges to its operations, including considerable bottlenecks in supply chains and shortage of construction materials. This has been further exacerbated by the conflict in Ukraine and the consequential global inflationary trend which has presented further challenges. In view of these challenges, Paul Y. Engineering has continued its strategy of focusing on optimising its portfolio and improving operational performance through diversified and flexible business strategies for corporate sustainability.

Management Contracting division remained the core business and the major contributor of Paul Y. Engineering's revenue for this year. Revenue of this division amounted to approximately HK\$12,529 million (2021: HK\$12,163 million) for the year ended 31 March 2022, up by approximately 3%. As at 31 March 2022, the value of contracts on hand for this division was approximately HK\$52,597 million, while the value of work remaining had stood at approximately HK\$26,847 million. During the year ended 31 March 2022, the Management Contracting division secured new construction contracts with an aggregate value of approximately HK\$8,328 million, representing a decrease of approximately 37% as compared to the amount of approximately HK\$13,251 million for last year. Subsequent to the year end, the division secured further contracts of approximately HK\$1,250 million. Set out below are some of the new contracts secured during the year and up to the date of this announcement:

- Civil Works for Re-provision of Open Cycle Gas Turbine at Lamma Power Station
- Construction of Public Housing Development at Chiu Shun Road, Tseung Kwan O
- Design & Build Contract for Automated Car Park A at Hong Kong Boundary Crossing Facilities
- Design & Build Contract for Automated Car Park B at Hong Kong Boundary Crossing Facilities
- Development of Lok Ma Chau Loop: Main Works Package 1 Contract 1 – Site Formation and Infrastructure Works inside Lok Ma Chau Loop and Western Connection Road Phase 1
- Development of Lok Ma Chau Loop: Main Works Package 1 – Contract 3 – Direct Road Link Phase 2
- Main Contract for Proposed Student Activities Center for Hong Kong International School Association Limited at R.B.L. 1199 Tai Tam Reservoir Road, Tai Tam
- Main Contract Works for Dedicated Rehousing Estate at Hung Shui Kiu
- Main Contract for Mixed Housing Development at Pak Wo Road, FSSTL 264, Fanling
- Main Contract Works for the Composite Redevelopment at 11 Ngau Tau Kok Road
- North East New Territories Landfill Extension

Revenue of the Property Development Management division amounted to approximately HK\$20 million (2021: HK\$7 million) for the year ended 31 March 2022. As at 31 March 2022, the value of contracts on hand for this division was approximately HK\$369 million, while the value of work remaining was approximately HK\$342 million. During the year ended 31 March 2022, the Property Development Management division secured new contracts of approximately HK\$281 million. Subsequent to the year end, the division secured further contracts of approximately HK\$294 million.

### **Ports and Logistics**

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

During the year, the liquefied petroleum gas (“LPG”) and compressed natural gas (“CNG”) distribution and logistics businesses of Minsheng Gas in Wuhan recorded a segment profit of approximately HK\$9 million (2021: loss of HK\$10 million). Sales of LPG decreased by 19% to approximately 3,000 tonnes (2021: 3,700 tonnes) and the sales of CNG increased by 23% to approximately 19.1 million m<sup>3</sup> (2021: 15.5 million m<sup>3</sup>) during the year.

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

The PRC Government has made a strong commitment to reduce the carbon emission at the 2015 United Nations Climate Change Conference in Paris and has issued policies to speed up the development of clean energy such as liquefied natural gas (“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 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 2022, the pre-construction works for the first phase of LNG project had substantially been completed. However, given the lengthy government approval, which is critical to procure project financing in the future, the Group has been taking a more cautious investment approach to the development plan to mitigate the risk and is considering the possibility of bringing in co-investors for the LNG project.

#### **Yangkou Port (9.9% owned)**

The Group's 9.9% equity interest in Jiangsu Yangkou Port Development and Investment Co. Ltd. ("Yangkou Port Co") did not contribute dividend income to the segment result for the year (2021: HK\$1 million).

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 investment in Yangkou Port Co is intended to be held for long-term purpose and is classified as financial assets measured at fair value through other comprehensive income. As at 31 March 2022, the investment in Yangkou Port Co was stated at fair value of approximately HK\$119 million (2021: HK\$237 million). The unrealised decrease in fair value of approximately HK\$118 million (2021: HK\$73 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**

The property business recorded a segment loss of approximately HK\$856 million (2021: HK\$1,045 million) for the year which was mainly attributable to (a) loss on fair value changes of investment properties of approximately HK\$481 million (2021: HK\$408 million) and (b) write-down of the stock of properties of approximately HK\$142 million (2021: HK\$641 million), which were mostly attributable to the Group's properties in the PRC.

The Group has 11.42 sq km (2021: 11.42 sq km) land bank situated at Xiao Yangkou (the "Land"), which is under development as a regional tourism site of national standard with hot spring and recreational facilities. As at 31 March 2022, approximately 6.81 sq km (2021: 6.81 sq km) out of the 11.42 sq km (2021: 11.42 sq km) land bank had reached the developing stage or the developed and serviced stage. The development status of the 11.42 sq km land bank was summarised as follows:

Area (sq km)	Stage of development	Intended purpose	Classification
0.88	Developed land	Rental/Capital appreciation	Investment properties
2.00	Land under development	Rental/Capital appreciation	Investment properties
2.01	Developed land	Sale	Stock of properties
1.89	Land under development	Sale	Stock of properties
0.03	Developed land	Self-use	Right-of-use assets
4.61	Pending development	Undetermined	Project under development
<u>11.42</u>			

In determining the fair values of the developed land and land under development situated at Xiao Yangkou which are zoned for tourist and resort use, the valuer has consistently adopted market approach with reference to the actual land transaction prices of the emerging tourist and resort use land within the vicinity. As at 31 March 2022, the investment properties of approximately 2.88 sq km were measured at fair value of approximately HK\$437 million (2021: HK\$730 million) and recorded a loss on revaluation (before tax and non-controlling interest) of approximately HK\$321 million (2021: HK\$388 million) for the year.

Land and properties at Xiao Yangkou classified as stock of properties has suffered from the decline in market value of high-end resort properties in recent years, particularly after the new measures in tightening the financing criteria in the property sector to clamp down on the over-concentration of capital in the property market rolled out by the central government in August 2020. Further tightening measures are expected to be introduced by the provincial and local governments to make sure the property control measures of the central government are being closely followed, which poses a prolonged and structural negative impact on the property market. As at 31 March 2022, the net realisable value of certain stock of properties at Xiao Yangkou further declined and recorded a write-down (before tax and non-controlling interest) of approximately HK\$92 million (2021: HK\$542 million) for the year.

As affected by the impact of COVID-19 pandemic public health measures and travel restriction in the PRC, as well as the overall cooldown of the economic development in the PRC, the operating result of the ancillary recreational facilities for the development of property business in Xiao Yangkou is far below management's expectation and recorded operating loss since its opening in the current year. As a result, an impairment provision for these facilities of approximately HK\$183 million (2021: Nil) was made for the year.

In view of the significant size of the Land, land development process of the Land will be a lengthy process. It will also involve substantial cost and time in conducting levelling work for converting land parcels of the Land into developed land such that those land parcels will be ready for further development. The rate of development of the Land will be subject to many elements, such as the government policies, market conditions and internal resources of the Group. Taking into account the COVID-19 pandemic and the government tightening policy on the property sector which cast uncertainty in the macroeconomic conditions and development of the property market in the PRC, the management are of the view to realise its investments in Xiao Yangkou to avoid the risk of further potential loss of the Land. On 15 September 2021, the Group has entered into a conditional agreement with Gold Spell Limited for the sales of the entire property business at Xiao Yangkou in a cash consideration of RMB700 million (the “**Proposed Disposal**”). The Proposed Disposal has been approved by shareholders of the Company in the special general meeting held on 18 January 2022. Up to the date of this announcement, the completion of the Proposed Disposal is still subjected to fulfillment of various conditions precedent. Further details of the Proposed Disposal were disclosed in the Company’s announcements dated 2 November 2021, 25 November 2021, 24 December 2021, 18 January 2022 and 14 July 2022 and circular dated 31 December 2021.

The Group through PYI Xingdong Properties (Jiangsu) Limited (“**PYI Xingdong**”), a wholly-owned subsidiary incorporated in the PRC, held a gross floor area of approximately of 13,700 sq m of “Nantong International Trade Center”, a commercial and office building in the central business district of Nantong City (the “**Nantong Property**”), of which approximately 6,300 sq m rented out for hotel operation were classified as investment property and approximately 7,400 sq m held for sale was classified as stock of properties respectively. During the year, loss on fair value change of the investment property of approximately HK\$28 million (2021: HK\$20 million) and write-down of the net realisable value of the stock of property of approximately HK\$50 million (2021: HK\$38 million) was recorded for Nantong Property. Nantong International Trade Center is a self-developed property project of the Group, which was completed in 2011 and a majority portion of the complex has been sold prior to 31 March 2013. With continued new supply in the surrounding area and weak market demand, the sales progress of the Nantong Property has been sluggish in the past few years. The Board considered that it may not be commercially viable to continue to sell the remaining unsold units on a piecemeal basis and decided to realise the Nantong Property in one go through the disposal of PYI Xingdong. The disposal of PYI Xingdong has been completed in March 2022 and the Group recorded a disposal gain of approximately HK\$17 million.

In the Hangzhou Hi-Tech Industry Development Zone of Bingjiang, Hangzhou City, the Group holds an office building known as Pioneer Technology Building, which has a gross floor area of approximately 20,000 sq m. The building recorded a loss on fair value change of approximately HK\$131 million (2021: HK\$16 million) and generated rental income of approximately HK\$14 million (2021: HK\$12 million) during the year. The premise was held as a joint venture with Paul Y. Engineering as at 31 March 2021. Upon the deemed acquisition of Paul Y. Engineering on 1 June 2021, its result has also been consolidated into the Group.

In view of the rising risk and uncertainty in the PRC property market, the aging of the premise, and significant maintenance funding injection is needed in the near future that will further erode the investment returns of the premise, the Board decided to realise the investment in the premise in return for immediate cash inflow. After the year end, an agreement was entered into on 10 May 2022 for the disposal of Pioneer Technology Building through disposal of its investment holding company at an original purchase price of HK\$72 million. The disposal has not been completed up to the date of this announcement.

### Securities

The securities business recorded a segment loss of approximately HK\$1,153 million (2021: profit of HK\$981 million) for the year, which was mainly attributable to the net fair value loss of investments in debt and equity instruments held for trading of approximately HK\$1,165 million (2021: gain of HK\$959 million).

The fair value loss was mainly attributable to the investment in China Evergrande New Energy Vehicle Group Limited (“**Evergrande Vehicle**”, stock code: 0708.HK), which recorded a fair value loss of approximately HK\$998 million (2021: gain of HK\$954 million) during the year. During the year, China Evergrande Group, being the parent company of Evergrande Vehicle encountered serious shortage of funds and suspended financial support to Evergrande Vehicle. In view of the significant risk and uncertainty in associate with the liquidity crisis of China Evergrande Group and Evergrande Vehicle, the Board decided to divest and fully disposed the investment in Evergrande Vehicle in open market at an aggregate consideration of approximately HK\$59 million. Taking into account the acquisition cost in 2019 of approximately HK\$207 million, the investment in Evergrande Vehicle resulted in an overall cumulative loss of approximately HK\$148 million.

During the year, two wholly-owned subsidiaries principally engaged in securities trading business, namely Treasure Capital Finance Limited and Nation Cheer Investment Limited, were placed into creditors’ voluntary liquidation in view of the unsatisfactory financial performance. Any recovery from realisation of the investments by the liquidator will be distributed to the Group in accordance with the relevant insolvency laws and regulations. Subsequent to the liquidation, the fair value of listed securities held by these former subsidiaries in liquidation has significantly decreased, it is expected that the recoverable amount from the liquidation will further decrease and an impairment loss on amounts due from former subsidiaries in the liquidation of approximately HK\$89 million was recognised during the year.

As at 31 March 2022, the Group’s investments in listed equity instruments not held for trading amounted to approximately HK\$129 million (2021: HK\$3 million). The decrease in fair value of approximately HK\$33 million (2021: HK\$1 million) for the year was recognised in other comprehensive expense.

In view of the recent fluctuation of the securities market, the Group adopted a more cautious and disciplined approach to managing the Group’s securities portfolio and has not reinvested in the held for trading debt and equity portfolio after the liquidation of the two securities trading subsidiaries. The Group will continue to monitor its remaining securities investments for steady growth in portfolio value in the future.



### **Financial services**

The financial services business of the Group recorded a segment loss of approximately HK\$26 million (2021: HK\$233 million) for the year. The decrease in segment loss was mainly attributable to the significant reduction in impairment loss recognised on the loans and related interest receivables from approximately HK\$250 million for last financial year to approximately HK\$1 million for this financial year after the restructuring of loan financing business during last financial year.

Interest income of approximately HK\$4 million (2021: HK\$21 million) was derived from the loan receivables for the year. As at 31 March 2022, carrying amounts of the Group's portfolio of loans receivable downsized to approximately HK\$19 million (2021: HK\$72 million).

During the year, the Group subscribed for two unlisted convertible bonds amounted to HK\$200 million in aggregate. The convertible bonds had been fully and early redeemed by issuers at their par values in December 2021 and interest income of approximately HK\$8 million (2021: Nil) was received from the convertible bonds for the year.

The Group participated in the integrated financial services sector and related business through its 27.29% equity interest in Galaxy Vantage. Galaxy Vantage was an indirect 61%-owned subsidiary of Touyun Biotech Group Limited (stock code: 1332.HK) and principally engaged in the provision of one-stop integrated financial services, including securities brokerage, money lending, asset management, financial services and securities trading businesses. During the year, the Group shared loss of approximately HK\$33 million (2021: HK\$2 million) from its investment in Galaxy Vantage. In view of its unsatisfactory financial performance, Galaxy Vantage was dissolved during the year. The capital after the realisation of the remaining assets has been fully refunded to shareholders proportionally, of which the Group has received dividend distributions of HK\$65 million during the year.

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\$6 million (2021: Nil) from 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\$13 million (2021: Nil) to the Group 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 2022.

## **MATERIAL ACQUISITION AND DISPOSAL**

On 1 June 2021, the Group received an irrevocable and unconditional assignment of the voting rights of a block of approximately 10% shareholding (the “**Voting Rights**”) in Paul Y. Engineering from an independent third party at nil consideration. Before the acceptance of Voting Rights, the Group held approximately 48.23% of the entire issued shares of Paul Y. Engineering. Upon accepting the assignment of the Voting Rights, the Group is entitled to exercise a total of approximately 58.23% voting rights at any general meetings of Paul Y. Engineering's shareholders and thus obtained control of Paul Y. Engineering without transferring cash consideration. Accordingly, Paul Y. Engineering has become a non-wholly owned subsidiary of the Group starting from 1 June 2021.

On 15 September 2021, the Group entered into a conditional agreement with Gold Spell Limited for the sale of the entire property business at Xiao Yangkou at a cash consideration of RMB700 million (the “**Proposed Disposal**”) and the Proposed Disposal was approved by shareholders of the Company in the special general meeting on 18 January 2022. Up to the date of this announcement, the completion of the Proposed Disposal is still subjected to fulfillment of various conditions precedent on or before the extended long stop date, being 5 August 2022.

On 29 March 2022, the Group completed the disposal of its entire equity interests in PYI Xingdong to Nantong Jinrong Housing Collection Service Co., Ltd. at a consideration of RMB13.4 million and recorded a gain on disposal of approximately HK\$17.2 million. PYI Xingdong is a company incorporated in the PRC with limited liability and is principally engaged in the development, investment and sales of properties that holds various remaining unsold units and various basement car parking spaces in Nantong International Trade Center, a commercial and office building in Nantong City, Jiangsu Province, the PRC.

Apart from the 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 10 May 2022, the Group entered into a conditional agreement with Zhongjian Huaxia Group (HK) Limited for the disposal of its entire equity interests in Great Decision Limited (“**Great Decision**”) at an original purchase price of HK\$72 million. Great Decision is a company incorporated in the BVI with limited liability and indirectly owns an office building known as Pioneer Technology Building located at No. 298 Wei Ye Road, Binjiang District of Hangzhou City, the PRC. The disposal has not been completed up to the date of this announcement.

Apart from the above, there were no major subsequent events occurred since the end of the reporting period and up to the date of this announcement.

## **OUTLOOK**

Taking into account the COVID-19 pandemic and the tightened governmental controls to PRC property market which continue to cast uncertainty in the macroeconomic conditions and development of the property market in the PRC, the Board is of the view to realise its investments in the property market in the PRC to avoid the risk of further potential loss and provide the Group with flexibility to seize suitable business and investment opportunities to optimise the operational efficiency and investment return to the Group.

The Board undertakes strategic review of the Group's assets from time to time with a view to maximising returns to the shareholders of the Company. Concurrently, the Group will explore opportunities to diversify and broaden its business and investment portfolio by investing in business with optimistic prospect.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at 31 March 2022, the Group had total assets of HK\$11,126 million (2021: HK\$6,580 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 nine 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 2022, the Group's bank and other borrowings amounted to approximately HK\$1,661 million (2021: HK\$401 million) with approximately HK\$1,439 million (2021: HK\$229 million) repayable on demand or within one year and approximately HK\$222 million (2021: HK\$172 million) repayable after one year. Borrowings denominated in Hong Kong dollar of approximately HK\$1,082 million (2021: Nil) bore interest at floating rate and approximately HK\$200 million (2021: HK\$40 million) bore interest at fixed rate. Borrowings denominated in Renminbi of approximately HK\$379 million (2021: HK\$361 million) bore interest at fixed rate. The Group's gearing ratio was 0.77 (2021: 0.10), which was calculated based on the total borrowings of approximately HK\$1,661 million (2021: HK\$401 million) and the Group's shareholders' funds of approximately HK\$2,160 million (2021: HK\$3,899 million).

Cash, bank balances and deposits of the Group as at 31 March 2022 amounted to approximately HK\$989 million (2021: HK\$189 million), of which approximately HK\$902 million (2021: HK\$12 million) was denominated in Hong Kong dollar, approximately HK\$76 million (2021: HK\$146 million) was denominated in Renminbi and approximately HK\$11 million (2021: HK\$31 million) was denominated in other currencies mainly in United States Dollar and Macanese Pataca. The balance of approximately HK\$45 million (2021: HK\$7 million) had been pledged to bank to secure general credit facilities granted to the Group.

## **CAPITAL STRUCTURE**

During the year, the Group has not conducted any equity fund raising activities. As at 31 March 2022, the total number of issued shares of the Company was 1,103,916,114 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 Hong Kong dollars and Renminbi. 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 minimize 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 LIABILITIES**

The Group had contingent liabilities in respect of indemnities of approximately HK\$61 million (2021: Nil) issued to financial institutions for bonds on construction contracts of joint operations as at 31 March 2022.

## **PLEDGE OF ASSETS**

As at 31 March 2022, the Group pledged certain property interests, property, plant and equipment, bank balances and cash of the Group with an aggregate value of approximately HK\$389 million (2021: HK\$537 million) and charged over the Group's benefits from certain construction contracts to secure general credit facilities granted to the Group.

## **COMMITMENTS**

As at 31 March 2022, 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 investment properties in a total amount of approximately HK\$15 million (2021: HK\$31 million).

## **NUMBER OF EMPLOYEES AND REMUNERATION POLICY**

As at 31 March 2022, the Group employed a total of 2,647 (2021: 557) full time employees which included 2,187 (2021: Nil) employees from Paul Y. Engineering but excluded contracted casual labour in Macau. Remuneration packages consisted of salary as well as performance-based bonus. Further, the Company has implemented share-related incentive schemes to provide alternative means to motivate employees and promote their loyalty in line with the Group's strategy.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **CORPORATE GOVERNANCE**

Throughout the year ended 31 March 2022, the Company has complied with all code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules except for certain deviations specified with considered reasons as set below.

Code Provision A.4.1 (in force during the period from 1 April 2021 to 31 December 2021 and repealed with effect from 1 January 2022) stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Mr Benny Kwong ("**Mr Kwong**") (who was appointed as a non-executive director of the Company on 9 February 2021 and subsequently appointed as the chairman of the Company (the "**Chairman**") on 1 April 2021. He was then redesignated as an executive director of the Company and remains as the Chairman on 8 November 2021), Mr Ma Ka Ki ("**Mr Ma**") and Mr William Giles ("**Mr Giles**") (both being an independent non-executive director of the Company appointed on 3 February 2021) had no fixed term of service with the Company, but are subject to retirement by rotation and re-election pursuant to the bye-laws of the Company. Mr Kwong, Mr Ma and Mr Giles, *inter alia*, have then entered into with a letter of appointment with the Company for a fixed term of 3 years effective retrospectively from the first date of their respective appointments.

## **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 and the relevant employees of the Group. According to specific enquiries made by the Company, all the Directors and relevant employees of the Group have confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 March 2022.

## **AUDIT COMMITTEE**

The Company has an audit committee (the “**Audit Committee**”) which has 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 this announcement, the Audit Committee comprises three independent non-executive directors of the Company, namely Mr Ma, Mr Giles and Mr Leung Chung Ki.

The annual results of the Group for the year ended 31 March 2022 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 2022 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](http://www.blueriverholdings.com.hk) under "Announcements" in the "Investor Relations" section and the website of Hong Kong Exchanges and Clearing Limited ("**HKEx**") at [www.hkexnews.hk](http://www.hkexnews.hk) under "Listed Company Information". The 2022 Annual Report will be despatched to shareholders of the Company and posted on the aforesaid websites in August 2022.

## **ANNUAL GENERAL MEETING**

The 2022 AGM is scheduled to be held on Thursday, 15 September 2022. Notice of the 2022 AGM will be published on the websites of both HKEx and the Company and despatched to the Company's shareholders in due course.

## **CONTINUED SUSPENSION OF TRADING**

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

After the publication of this announcement, trading in the shares of the Company on the Stock Exchange will remain suspended until the publication of the Inside Info Announcement.

By Order of the Board

**Blue River Holdings Limited**

**Benny KWONG**

*Chairman*

Hong Kong, 29 July 2022

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

*Executive Directors:*

Benny KWONG (*Chairman*)

AU Wai June

Marc TSCHIRNER

SAM Hing Cheong

*Independent Non-Executive Directors:*

LEUNG Chung Ki

MA Ka Ki

William GILES