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RIVERINE CHINA HOLDINGS LIMITED

浦江中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1417)

VOLUNTARY ANNOUNCEMENT PROPOSED ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIV A of the SFO.

The Company announced that on 8 February 2019, the Company entered into the LOI with the Target and the authorized representative of the Vendors whereby the Company intended to acquire the Sale Shares from the Vendors. The Target is engaged in the business of property management in Hong Kong. The businesses of the Target complement the businesses of the Group and could help expand the businesses of the Group outside the PRC. As a result, by acquiring a majority interest in the Target, the Group could expand the territory of its businesses, strengthen its market position and expand its customer base. The Proposed Transaction will create synergy for the Group.

Within three Business Days upon signing of the LOI, the Company shall pay a refundable deposit the (“**Refundable Deposit**”), which is equivalent to 5% of the proposed consideration to the Target with reference to an estimated net profit of the Target for the financial year ending 31 March 2019. In the event the Parties fail to complete the Proposed Transaction, the LOI and the Formal Agreement shall lapse and the Target shall return the whole amount of the Refundable Deposit (without interest) to the Company within seven Business Days upon the LOI and the Formal Agreement lapse.

EXCLUSIVITY

Upon signing of the LOI and payment of the Refundable Deposit by the Company, neither the Vendors, the Target nor the authorized representative of the Vendors may negotiate any terms in relation to the sale of any interest in the Target with any third party during the Term.

VALUATION

The Proposed Consideration for the Sale Shares shall be based on the valuation of the Company (the “**Valuation**”), which is to be determined by the Parties. The Parties agree that the valuation of the Company shall be determined based on the net profit of the Target for the financial year ended 31 March 2019 as shown in the audited accounts of the Target.

PROPOSED CONSIDERATION AND ADJUSTMENT

The Proposed Consideration shall be calculated based on the following formula:

Proposed Consideration = 80% x Valuation

The Proposed Consideration, subject to adjustment, shall be payable by cash by the Company to the Vendors by instalment payments. The Vendors may convert part of the cash into shares of the Company on such terms as may be agreed by the Parties in the Formal Agreement.

The Proposed Consideration is subject to adjustment. If the Performance Guarantee for any of FY2020, FY2021 and FY2022 is not fulfilled or the growth of both the revenue and the net profit of the Target for any of FY2020, FY2021 and FY2022 exceeds the Performance Guarantee, the Proposed Consideration shall be adjusted according to the terms of the Formal Agreement.

CONDITIONS PRECEDENT

The Parties agree that the Proposed Transaction shall not take place unless the following conditions precedent (the “**Conditions Precedent**”) are satisfied:

- (i) the Company being satisfied with the due diligence review of the Target;
- (ii) the Parties being satisfied with the results of the valuation report in respect of the Target to be prepared by an independent valuer;
- (iii) the shareholders of the Company passing at the EGM an ordinary resolution approving the Formal Agreement and the transactions contemplated thereunder and the Company having obtained the approval of the Stock Exchange and the relevant authorities;
- (iv) the Target having obtained its internal approval;
- (v) all other necessary authorisations and approvals and conditions precedent as set out in the Formal Agreement.

REFUND OF REFUNDABLE DEPOSIT

Pursuant to the LOI, if the Parties cannot complete the Proposed Transaction, the Refundable Deposit shall be returned to the Company without interest within seven Business Days upon the LOI and the Formal Agreement lapse.

To the best knowledge, information and belief of the directors of the Company having made all reasonable enquiry, each of the Vendors, the authorized representative of the Vendors and the controlling shareholders of the Target is an Independent Third Party.

The terms of the Proposed Transaction are yet to be agreed among the Parties. Further announcement(s) will be made by the Company as and when required in compliance with the Listing Rules and SFO.

Shareholders and potential investors of the Company should note that the Proposed Transaction may or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

DEFINITIONS

“Business Day”	The day on which banks in Hong Kong are open for business (except Saturdays, Sundays and public holiday)
“Company”	Riverine China Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“Conditions Precedent”	Means the conditions precedent set out in the section headed “Conditions Precedent”
“EGM”	Means the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Formal Agreement and the transactions contemplated thereunder
“Formal Agreement”	The formal agreement to be entered into by the Company, the Target and the Vendors pursuant to the LOI in relation to the acquisition of the Sale Shares
“Group”	The Company and its subsidiaries
“FY”	Means financial year of the Target ended 31 March
“Independent Third Party(ies)”	An individual(s) or a company(ies) who or which is/are independent and not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates and not otherwise a connected person of the Company
“LOI”	The letter of intent entered into between the Company, the Target and the Vendors’ authorized representative on 8 February 2019 in relation to the acquisition of the Sale Shares by the Company from the Vendors

“Performance Guarantee”	Means the revenue and net profit guarantee given by the Vendors for FY2020, FY2021 and FY2022
“PRC”	The People’s Republic of China
“Proposed Consideration”	The proposed consideration for the acquisition of the Sale Shares, which is based on the Valuation and is subject to adjustment as set out in the section headed “Proposed Consideration and Adjustment”
“Proposed Transaction”	The Proposed acquisition of the Sale Shares
“Sale Shares”	80% of the entire issued share capital of the Target
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	A company incorporated in Hong Kong, which is engaged in the business of property management, an Independent Third Party
“Term”	The term of the LOI, which takes effect from the date of the LOI until the expiry of six months from the date of the LOI or the signing of The Formal Agreement or a supplemental agreement which supersedes the LOI, whichever is the latest
“Valuation”	The valuation of the Company as set out in the section headed “Valuation”
“Vendors”	The existing shareholders of the Target who collectively own 100% interest in the Target

By order of the Board
Riverine China Holdings Limited
Xiao Xingtao
Chairman

Hong Kong, 8 February 2019

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Xiao Xingtao (Chairman), Mr. Fu Qichang, Mr. Xiao Yuqiao and Mr. Jia Shaojun; one non-executive director, namely Mr. Zhang Yongjun; and three independent non-executive Directors, namely Mr. Cheng Dong, Mr. Weng Guoqiang and Mr. Shu Wa Tung Laurence.

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails*