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Riverhill Holdings Limited

山河控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

On 31 October 2001, Riverhill has entered into a Sale and Purchase Agreement to acquire 35% of Cityonmap from an independent third party, Green Yield International Co., Ltd., for a consideration of HK\$5,200,000.

UNUSUAL PRICE MOVEMENTS

The directors of Riverhill Holdings Limited (“Riverhill” or the “Company”) have noted the increase in the price of the shares of the Company on 1 November 2001 and state that they are not aware of any reasons for such increase other than the directors wish to inform shareholders that, in the ordinary course of the Group’s business, the Company has entered into a Sale and Purchase Agreement on 31 October 2001 to acquire 35% of Beijing Cityonmap Technology Co Ltd. (“Cityonmap”) from an independent third party, Green Yield International Co., Ltd. (the “Vendor”) for a consideration of HK\$5,200,000 (the “Acquisition”). The total consideration of HK\$5,200,000 will be satisfied in full by the internal resources of the Company. The directors confirm that the Acquisition does not constitute a discloseable transaction as defined under Chapters 19 and 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”).

Cityonmap is a joint venture company principally engaged in the research and development of wireless application of GIS and GPS. The Vendor, a BVI company which holds 35% interest in Cityonmap, is an independent third party to the Company. The Vendor and the shareholders holding the remaining 65% of Cityonmap are not connected with the directors, Chief Executive, management shareholders, substantial shareholders of the Company, and their respective associates.

As stated in the annual report dated 17 September 2001, the Group has began negotiation with Cityonmap for business co-operation and investment. The directors believe the Acquisition complements the Company’s focused line of business as Cityonmap’s achievement in the research in wireless application of GPS and GIS has been recognised by a PDA manufacturer, and the two parties are teaming up to launch a new model of PDA by the end of December 2001. Therefore, the directors believe the Acquisition is in line with the business objectives of the Group as stated in the prospectus dated 18 May 2001.

Saved as disclosed above, the directors confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under the GEM Listing Rules, neither are the directors aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

By Order of the Board
Yick Chong San
Director

Hong Kong, 1 November 2001

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

** for identification only*

This announcement, for which the directors of the Company (the “directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited of the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.